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THE UNITED STATES AND PACIFIC ASIA IN THE  
SEVENTIES. VOLUME I: THE FUTURE OF THE  
NIXON DOCTRINE IN PACIFIC ASIA

William H. Overholt, et al

Hudson Institute, Incorporated

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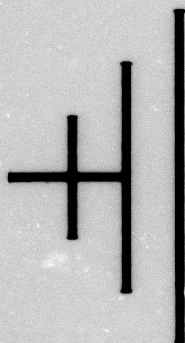
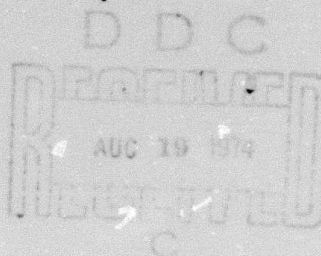
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# THE UNITED STATES AND PACIFIC ASIA IN THE SEVENTIES

VOLUME I: The Future of the Nixon Doctrine in Pacific Asia

William H. Overholt  
Herman Kahn



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## 13. ABSTRACT

*A two-volume work*

Analyses various formulations of the Nixon Doctrine for U.S. strategy and programs in East Asia and related areas with emphasis on the issues and possibilities of the late 1970 (and 1980) time period. The analysis considers the basic factors and context for U.S. policy, potential issues, crises, and policy choices and their likely implications for the U.S. and other nations. *the report is a summary*

Presents the result of the analysis of implications and alternatives in terms of the basic strategic approaches to the area, the bilateral relations between the major countries in the area and the United States, and the advisory and assistance role for the DoD and other agencies of the U.S. Government. *Volume III*

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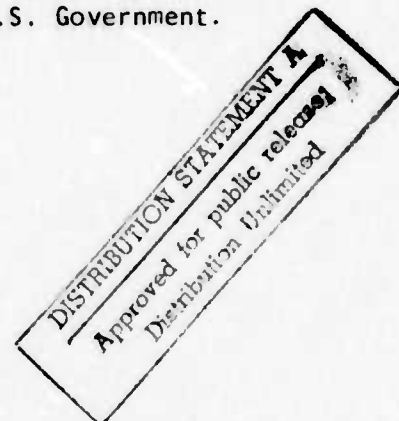
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This study was principally written and edited by William H. Overholt. Herman Kahn oversaw the entire project and made decisive contributions to the Pacific Basin story, to views on how to interpret the Nixon Doctrine, and to other issues throughout the text. A major essay by William Pfaff was employed in several sections of the volume. David Harmon produced the numerical economic projections. Garrett Scalera organized much of Hudson's early thought on the Nixon Doctrine, and Marilyn Chou contributed a historical essay on past American policy doctrines. Frank Armbruster provided an important perspective and a major essay, as evidenced by the appropriate appendix. Doris Yokelson, Raymond Gastil, William Schneider, Gus Weiss, B. Bruce-Briggs, Andrew Caranfil, Alex Ghebhardt, Max Singer, Barry Smernoff, John Thomas, Basil Candela, Rudy Ruggles, Hugh O'Neill, Herbert Passin, and others all made significant contributions.

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## SUMMARY

Policy doctrines like the Monroe Doctrine, the Open Door Policy, and the Truman Doctrine must not be dismissed as mere rhetoric. They provide the axioms upon which lesser policies are based. They serve as an indispensable guide for American policy makers and they provide allies and other states with essential information regarding American policies and views of the world. Some recent so-called doctrines are not so important because they do not constitute doctrines in the fundamental sense used here. Thus, the "Kennedy Doctrine" and the "Johnson Doctrine" were mere rhetorical variations on the Truman Doctrine; they signaled no fundamental changes in American policy and responded to no fundamental changes in historical relationships. By contrast the Nixon Doctrine constitutes a fundamental shift of perspective in response to fundamental changes in world power relationships.

The Truman Doctrine was a response to a post-World War II world in which America's friends and allies were so helpless that only the United States could undertake major efforts in defense of noncommunist regions. The helplessness of other countries after World War II gave to the United States a disproportionate share of world power. The Truman Doctrine successfully assisted in reducing the helplessness of the rest of the world, and did so with surprising speed. But this success of the Truman Doctrine transformed the context within which American policies operated. Because of the success of the Truman Doctrine and because of the evolution of communist powers' policies, by the late 1960's other countries were no longer helpless, threats from communist countries were greatly reduced, and American power was no longer so disproportionately great.

The Nixon Doctrine consists of an alteration of Truman Doctrine perspectives to conform with these transformed world conditions. From a short-term perspective the Nixon Doctrine is a response to problems in Vietnam, but to see the Nixon Doctrine merely as a response to Vietnam would be terribly myopic. Vietnam is the crisis which shocked the American policy community into reexamination of the conceptual basis of foreign policy. Like the crises in Greece and Turkey which precipitated the Truman Doctrine, Vietnam forced major new decisions. But the essence of the Truman Doctrine was a response to worldwide conditions, of which Greece and Turkey were just small manifestations, and the essence of the Nixon Doctrine is a response to worldwide success of the Truman Doctrine, from which success Vietnam was an aberration. Stronger allies and reduced and divided threats make possible reduced and less direct American involvement, without sacrificing traditional American policy objectives. The same successes make possible a diplomacy which exploits common interests with such adversaries as China and the Soviet Union to further reduce tension.

Like the United States, China has pursued a basically successful, although frequently vacillating, set of foreign policies in the post-World War II period. Her policy of political, economic and military self-reliance has achieved its objective of keeping China free from foreign manipulation while domestic political and economic order were being restored. Faced with Soviet political-military challenge and Japanese economic challenge, and convinced since the late 1960's that the U.S. does not intend direct intervention in China, China has modified her economic self-reliance, without abandoning it, and has improved relations

with the U.S. and Japan in order to concentrate resources on her principal adversary, the Soviet Union. Rapprochement with China has, taken by itself, improved the U.S. position in Asia, but the manner in which the rapprochement was conducted has damaged U.S. relations with Southeast Asia and has initiated dissension with Japan which--if not curtailed--could threaten America's most important interests in Asia. However, the rapprochement can continue, and could come to include some support of the PRC against Soviet pressure, without threatening other U.S. interests. China appears not to be territorially expansive, and Chinese threats to American interests, although significant, appear to be limited and diminishing.

The future of Pacific Asia, and of American relations with Pacific Asia, hinges above all else on American relations with Japan. Perhaps the most important finding of this study is the likelihood of a historic period of economic dynamism and development throughout Northeast and Southeast Asia and North and South America if Japanese-American economic relations continue to include open trade and compatible monetary policies. At the turn of the decade serious short-term economic rifts occurred between the two countries, but the Japanese government committed itself to virtually complete trade liberalization and appeared committed to a Tanaka "Plan for Remodelling the Japanese Archipelago" which promises to focus Japanese economic development on internal expansion and thus to alleviate international monetary and trade stresses. As this is written, a worldwide energy price rise has at least temporarily reversed the balance of payments problem (from Japanese surplus to deficit) and aggravated competition for raw materials. The Japanese-American alliance continues to be the keystone of political-military stability in the Pacific. A Japanese reversal of

alliances is unlikely but would constitute a major foreign policy disaster for the United States. Dissolution of the alliance, which is quite possible by the 1980's, could lead to Chinese or Soviet pressures on Japan. These pressures in turn could lead to nuclear proliferation, a costly worldwide arms race, renewal of the Sino-Soviet alliance, and other negative consequences for the U.S. A major conclusion of the study is that American economic, military and political interests in Pacific Asia focus on Japan and that the U.S. needs to combat a tendency to take Japan for granted and to sacrifice solidarity with Japan for less important gains in Southeast Asia and China. At the same time, future U.S. interests in China and Southeast Asia are less likely than in the past to threaten American relations with Japan.

Korea and Taiwan remain potential flashpoints for greater power relationships in East Asia, but both these areas can increasingly take care of themselves. Growing economically at ten percent per year, they are rapidly becoming a kind of Asian Ruhr. Militarily and politically, North Korea, South Korea, and Taiwan are becoming several of the world's tougher and more important small states.

In Southeast Asia the final outcome of the Indochinese conflict remains unclear. But it no longer appears that even a relatively unsuccessful outcome will seriously threaten broader American political, military and economic interests in the region. Major North Vietnamese victories will inevitably affect Thailand's future, but will not induce any major political transformation of the region. Nor does it appear that the outcome of the Indochina War is likely to threaten the period of rapid economic development discussed in the chapter on "The Rise of the Pacific Basin."



A number of developments of the last few years suggest that the next decade will see the development of a new trading and investment area in the Pacific Basin, the economic reality of which may in turn underlie important political and eventually even military possibilities.

We should first make the underlying economic estimates explicit. We believe that it is very likely that by 1980 each of the major nations of the Pacific Basin will be conducting more than 50% of its trade, and making (or receiving) more than 50% of its investments with other countries in the Pacific hemisphere. The principal components of this Pacific Basin trading and investment community (PBTIA) are Japan, the Sinic culture areas on the border of Asia (South Korea, Taiwan, Hong Kong, Singapore, Thailand, South Vietnam), Indonesia, Philippines, Australia, New Zealand, Brazil, Colombia, Venezuela, Mexico, the United States, Canada, and perhaps Argentina and Chile.

The principal economic forces operating today, which we expect will continue to operate strongly through the '70's, which will create this PBTIA are the following:

First, the continued economic growth of Japan at much greater than world rates and the growth of Japanese international trade at at least the rate of world trade in general.

Second, the continued rapid growth of the Sinic culture areas and their increased share of world trade.

Third, the expanding need of the developed countries, particularly the United States and Japan, to export manufacturing operations to low labor cost areas such as the Sinic culture areas of Asia, and increasingly by the end of the decade to such areas as Malaysia, the Philippines, and Indonesia as well.

Fourth, a shifting orientation of Australia and New Zealand away from Europe and towards Japan, the Pacific, and the United States. This will come in part from England's move into the Common Market, and in part from the increased availability of Japanese capital and Japanese markets, and other factors as well.

Fifth, increased Japanese investment and marketing interest in South America, and especially in Brazil, the only other major country (in addition to the U.S.) where Japanese have gone in large numbers to settle as immigrants. (There are now about 750,000 Brazilians of Japanese descent and on the whole they have tended--unlike their U.S. counterparts--to back up ties with Japan.)

Of course, since the Americas face both across the Atlantic and across the Pacific, it is possible for an Atlantic hemisphere trading and investment area and a Pacific trading and investment area to exist simultaneously, and for the members of both to trade at least 50% with each other. Of the two, the Pacific hemisphere trading area deserves special attention because it is the newer development in economic and business life and during the '70's (and quite possibly the '80's) the more dynamic. Important events are often generated by changes in the underlying economic factors, so it is important to focus on that which is most rapidly changing--particularly as those new constellations of trade and investment may well require changing orientations elsewhere as well.

It is better for a small country to be in an area in which there are two large countries rather than one. To some extent the United States (and Japan) also benefit from being part of an area where they are one of the two large powers instead of the only one. The other large power, in effect, will take off some of the heat. Today in much of the world modernization tends to be synonymous in people's minds with Americanization. While almost everybody in the world wants to be modern, this is a painful process with many ugly and evil by-products. If Japan catches up with the United States as the most advanced nation, and the one most present in a particular country, then it may become true that modernization is as much identified with Japanization as it is with Americanization. To

the extent that this becomes true in the future, some of the political and psychological overtones of international affairs can be expected to change, partly to our detriment, but perhaps even more to the benefit of the United States.

It should be noted that one of the real advantages of having a double leadership of some group over a single leadership is not just that it dilutes the hostility towards the single leader, but that it really changes the relationship almost completely. The smaller members of the group can find a good deal of self-assertion and self-actualization and independence in the fact that the leadership is divided, and that the whole relationship then changes extensively. Power which is divided is simply much smaller than power which is unified, and this can make for a much more wholesome relationship for all parties concerned.

An area or group of the kind we are speaking of can have several levels of conscious or overt existence. These run from a simply ad hoc recognition of established patterns, to a formally organized legal community, possibly with strategic and military significance.

Every now and then in history we find a situation where a number of independent trends have more or less fused together in a serendipitous whole, in which the whole becomes, in effect, larger than the sum of the parts. Something like this is likely to occur in the Pacific Basin Trade and Investment Area by the late '70's and in the early '80's. During this period the Pacific Basin will become a connector of nations, a means to unity. As we look at the improvements in technology, the continued growth and improvement in ocean transport, the development of supersonic air transport, the development of satellite communications,

the development of computer and other systems of modern economic management, it is easy to see the Basin as a connector. This can mean serendipitous effects. For example, the growth rate of Canada today is more or less based on U.S. investment, but this is more and more a source of tensions within Canada. If, as seems likely, the Japanese will invest heavily in Canada, the result is added capital stimulus but also a reduction of political tensions, as Canada is less dependent on a single external capital source. It will mean a balancing of the U.S. presence. As a result, both Japan and the U.S. will have a better place in which to invest, and Canada will grow more rapidly, supplying even more raw materials for markets to Japan and the United States. This balancing effect is likely also to be true for Brazil, Mexico, perhaps Argentina, perhaps South Africa.

What we are suggesting is analogous to the growth of a forest or prairie fire. Very often one can build a lot of small fires and they grow quite rapidly before they amalgamate into one big fire, creating its own conditions of accelerated growth--what is sometimes called a "firestorm" in which the very heat of the fire creates drafts which fan the fire further. We suggest that in the Pacific Basin Trade and Investment Area a kind of forced draft economic growth may develop which can be further fed by certain kinds of political, social and cultural changes. In particular, one can imagine political and administrative events which enormously increase people's self-confidence in both giving and receiving foreign capital and in building up their commitment to trading and investment.



The eventual significance of this new economic community is now, of course, impossible to assess. It is imaginable that it will develop institutions which, as in the European Common Market, eventually acquire a political content, with strategic overtones. At the very least the community might be expected to have an impact upon the moral/ideological dimensions of the Asian struggle. If the smaller Asian states in the community, mostly states which in recent years have been allies or clients of the United States, do experience the kind of dramatic economic growth this projection envisages, then the assumptions and expectations of Asia change in important ways. It is demonstrated that other Asian states than Japan are capable of economic "miracles" by means of the mechanisms of the free market and free trade. It is demonstrated that the conditions of ordinary life can be transformed for individual Asians--and in a length of time that makes that transformation dramatic and unmistakably visible. It will prove that an internationalist and outgoing economic policy, where relative weak Asian communities cooperate with the advanced industrial states of Japan and the West, can return very large rewards in human and social benefits. It could constitute a new kind of model of cooperative development with major effect elsewhere in Asia--an "ideological victory of compound interest." We would add that China very likely will pursue an entirely different mode of development, deliberately and consciously repudiating "consumerism" and gross GNP growth in favor of an austere, even spartan, mode of national economic life, but with a high level of distributive justice and, probably, a high level of public morality. Since a free-market society is virtually by definition a highly materialistic and acquisitive society, probably with fairly high levels of public

corruption, the rivalry between these models of moral as well as economic development may be interesting indeed over the next decade.

The upshot of this discussion of political relationships and economic prospects is a sense that American policies under the Truman Doctrine have essentially won a worldwide victory over the last generation, despite recent difficulties in Vietnam, and that the Nixon Doctrine is essentially a response to the consequences of success. The words of the Nixon Doctrine can be interpreted as an abandonment of traditional American objectives, but from the perspective of victory such an interpretation seems inappropriate. One can imagine circumstances in the future which would put such an interpretation on the Nixon Doctrine, but these circumstances seem relatively improbable--even if the eventual outcome in Indochina is maximally unfortunate. More sensible interpretations of the Doctrine would view it as a major readjustment to the conditions of victory and as a source of some tactical changes.

An optimal American strategy in response to these developments should have the following economic, military and political components.

Economically the United States must ignore protectionist pressures and maintain open trade. It must also retain good working relationships with Japan on monetary issues and dumping laws. Given this basic set of policies, the Pacific Basin growth described above should occur.

Militarily the United States, having achieved its basic objectives in the region, except for Indochina, and having made limited accommodations with its adversaries, can afford a reduction of regional bases and of American manpower without sacrificing any major American objectives. Aid and military training should provide adequate support for these governments

deserving of support, and an extremely powerful, highly mobile force which can operate freely from a variety of bases will be adequate to deter, or initially fight, major incursions that might occur in most of the region. But there is a strong rationale for leaving some fixed forces in Japan and Korea.

Politically, American policy should orient itself around the classic objective of ensuring the self-determination of the nations of the region and, just as important, making them feel secure in their self-determination. China can be drawn slowly and partially into cooperative relationships through trade and non-hostile political attitudes. The Soviet Union's initiatives for an Asian Security System, which seems intended to encircle China and to remove American alliances and influence from the region, can be quietly opposed. The Sino-Soviet split is likely to continue, particularly if Japan does not rearm too dramatically, if the U.S. ensures that China does not become too weak relative to the U.S.S.R., and if U.S. forces in the region stabilize regional relationships. The most crucial relationship for the political, military and economic future of Pacific Asia, is between Japan and America, and both sides have tended to fumble this relationship recently. However, both Japan and the U.S. are aware of the importance of their relationship, and continued good will can be ensured by American willingness to bear some burden in defending Japan, by recognition that common economic interests outweigh competitive ones, and by systematic American support for a prestigious international role for Japan.

The Nixon Doctrine constitutes an effective successor to the Open Door Policy, which was appropriate in a period of extreme American weakness

early in this century, and to the Truman Doctrine, which was appropriate to a period of hegemonic American strength produced by the devastation of other non-communist countries in World War II. Some version of the Nixon Doctrine, perhaps revised along lines suggested in the final chapter of this volume, is destined to become the core of American foreign policy for the next generation or two. Just as the Truman Doctrine rose above political partisanship because it was appropriate to the conditions of its day, so the Nixon Doctrine is likely to guide future American Presidents, Democratic as well as Republican.

## I. INTRODUCTION

A. Objectives

In 1969, on the Territory of Guam, America's westernmost possession, the President of the United States propounded what has been interpreted as a new foreign policy direction for the Republic--the "Nixon Doctrine." In the President's 1973 report to Congress\* the doctrine was phrased as follows:

First, the United States will keep all of its treaty commitments.

Second, we shall provide a shield if a nuclear power threatens the freedom of a nation allied with us or of a nation whose survival we consider vital to our security.

Third, in cases involving other types of aggression we shall furnish military and economic assistance when requested in accordance with our treaty commitments. But we shall look to the nation directly threatened to assume the primary responsibility for providing the manpower for its defense.

This study analyzes various formulations of the Nixon Doctrine, and examines their implications for American policy in East Asia and related areas in light of the likely issues and contingencies of the late 1970's and early 1980's. The analysis considers the basic factors and context of American policy in this period, and examines the likely implications for the U.S. and other nations of key issues, crises, and policy choices. Conclusions are reached regarding basic American strategic approaches to the area, bilateral relations between the United States and other major countries, and the future of America's advisory and assistance role in the area.

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\*U.S. Foreign Policy for the 1970's: Shaping a Durable Peace  
(Washington, G.P.O., 3 May 1973).



### B. The Nature of Foreign Policy Doctrines

The idea of an explicit foreign policy "doctrine" grew slowly in American history. Of course, the term derives from the so-called "Monroe Doctrine" of 1823. But there is little reason to believe that Monroe consciously intended a permanent policy statement when he announced to the Congress that the U.S. would not tolerate extra-American intervention in the Western Hemisphere (and--which is often forgotten--forbade U.S. intervention in the Eastern Hemisphere). His declaration attained doctrine stature in 1845, when President Polk inaugurated the precedent of citing it in diplomatic controversy to give his positions an aura of venerability. Nevertheless, Monroe (and Polk) set what has become the basic method of establishing a foreign policy position which has been adhered to since. In this, they followed George Washington, who established the famous and long-lasting "no entangling alliances" policy in his Farewell Address of 1796, which we may reasonably call the "Washington Doctrine."

During the century after Polk, fundamental foreign policy positions were usually named "policies"--the Open Door Policy, the Good Neighbor Policy--but the difference is only in the word. Following World War II, began the fashion of identifying foreign policy "doctrines" by Presidents' names: the "Truman Doctrine," the "Eisenhower Doctrine," the "Kennedy Doctrine." But this labeling was done by commentators and journalists, not explicitly by the President in question.

Mr. Nixon broke new ground. For the first time we see a President explicitly stating and labeling a "doctrine" from the beginning and,

moreover, demanding a policy embodying "a coherent vision of the world and a rational conception of America's interests."\*

What is a "Doctrine"?

According to the Oxford English Dictionary, a doctrine is a statement of "principle of policy"; that is, something larger and broader than "mere" policy.

A doctrine is a flexible context within which specific policies are developed. The evolution of the Monroe Doctrine is the best example of how a doctrine can be modified and reinterpreted. The Monroe Doctrine had originally been aimed to prevent the intervention of European powers, but was interpreted by Theodore Roosevelt as a justification for the intervention of the U.S. to prevent conditions which might tend to extra-American intervention. The Roosevelt Corollary led to the coercion of the very states it intended to protect, and was thus used to justify establishment and maintenance of control by the U.S. over governments of Latin America.

Even the "no entangling alliances" doctrine of Washington's Farewell Address, while adhered to rigidly until the Rio Pact of 1947, was interpreted flexibly enough to permit de facto alliances with our co-belligerents during and after the World Wars.

As President Nixon has noted, the "Nixon Doctrine" is a modification of the "Truman Doctrine" of containment of communism through means up to U.S. military action, if necessary.\*\* The Eisenhower Doctrine was an

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\*U.S. Foreign Policy for the 1970's: A New Strategy for Peace  
(Washington, D. C.: G.P.O., 18 February 1970)

\*\*Ibid., p. 5.

earlier modification. Doubtless there will be other variants in the future until such time as changing international conditions and U.S. national interests require the overturning of the entire Truman Doctrine position, just as the Truman Doctrine replaced the "Washington Doctrine" and the U.S. non-intervention in the Old World aspect of the Monroe Doctrine.

#### How Do Doctrines Shape Policy?

All U.S. doctrines have been unilateral statements of purpose by U.S. Presidents based upon the generally recognized Presidential prerogative to conduct the foreign affairs of the United States. Of course, they have no validity in law and are not legally binding on any American. But, because they are published abroad and will be accepted and acted upon by foreign powers as definite statements of American purpose, the U.S. loses credibility if it fails to adhere to its stated doctrines or violates them without notice. Of course, since establishment of a doctrine is an American action, the U.S. has the right to interpret its own intent. Needless to say, the interest of the U.S. in harmony and stability requires that its principles of policy be clearly understood abroad.

Doctrines are important as statements of intention directed to foreign countries, but usually the internal purposes of doctrines are far more important. Sociologists and politicians have long understood that leading large numbers of people in a common direction requires clear, simple, salient statements of purpose. Political slogans from "Carthago delenda est" in Cato's Rome to "Restore the Emperor" in Tokugawa, Japan have accomplished this. In gaining public comprehension and assent to the

most basic aspects of American foreign policy, the slogans of Washington's Farewell Address and the Monroe Doctrine have long served a similar purpose. Such statements, or slogans, whatever they are called, are prerequisite to coherence and continuity in public support for, or assent to, foreign policy--particularly in a democracy. Likewise, such statements are crucial as axioms which make governmental actions coherent and reasonably continuous by guiding lower level policy decisions. Modern governments are huge bureaucracies facing decisions that involve thousands of disparate specialties; their decisions can be made relatively coherent only by being based on clear, simple concise statements of the government's axiomatic policy assumptions. There is a common rule of thumb among experienced administrators that a huge bureaucracy can only cope with one or two high priority directives at any one time. (The Nixon Doctrine makes the optimistic assumption that American security bureaucracies can cope with a tripartite statement of foreign policy axioms.)

Simplicity and conciseness in foreign policy axioms are therefore paramount requirements. But simplicity and conciseness of statement must not obscure the complexities inherent even in such a simple, three-line statement as the Nixon Doctrine. If we are to rely on local manpower, at least initially, and if we are to honor our commitments, then how is it that we are to escape the necessity, so frequently stated in past crises, of early reliance on American troops in order to honor commitments successfully? To dismiss a doctrine as contradictory because of such problems is easy and is frequently done. But in the case of the apparent contradiction above, it turns out (as will be argued later) that historical circumstances in most of the world have changed sufficiently to resolve the

contradiction. More fundamentally, a doctrine is a statement of principles, a statement designed to inspire respect and assent rather than to spell out detail. The men who cried "Liberty, Equality, Fraternity" were not contradicting themselves; they were stating their values. It is unnecessary and counterproductive in such a statement to detail the necessary tradeoffs among principles or values. Such tradeoffs always exist; they are taken for granted, except by fools. Mention of them would hinder the lucidity and conciseness which are the essence of such statements, and change their purpose from invocation to analysis.

Avoidance of detailed analysis also facilitates continuity in doctrines. Principles can remain valid for generations, as in the case of the Monroe Doctrine. But many of the details of tradeoffs and contingencies change. The abstractness of doctrines gives them the flexibility necessary to remain valid throughout historically important periods, while retaining a hard core of meaning. The hard core is axiomatic and thus terribly important, even though it comes to sound banal, and small changes in the nuances of interpretation often have sweeping consequences.

Precisely because doctrines express the ultimate axioms of foreign policy, government bureaucracies come to be designed for effective implementation of the principles expressed by doctrines. The resulting organizational structures become tough and self-perpetuating, and their personnel come to connect their reputations with implementation of the doctrines. Likewise, public opinion comes to accept doctrines and to resist changes. Thus doctrines, and the lower-level policies associated with them, acquire a life of their own, independent of the historical conditions which made them appropriate. To the degree that a doctrine is



successful in its purpose of coordinating government behavior and captivating public opinion, it will resist change--even if conditions require change. Thus it comes to pass that, just as new doctrines are born in crisis, so old doctrines expire only in crisis. Washington's Farewell Address Doctrine ("No entangling alliances") and the Open Door Policy expired long after they had become obsolete--in the fires of World War II. The Truman Doctrine expired during the Vietnam crisis. But, just as the crisis which precipitates formulation of a doctrine does not explain the content and endurance of a doctrine, so the crisis of expiration tells one little about the reasons for obsolescence and the content of the succeeding doctrine. To unearth the reasons for obsolescence of an old doctrine, and the appropriate content for a new one, we must examine major historical shifts of power and interests. That is the purpose of the succeeding chapters.

### C. The Nixon Doctrine in the Future

The movement from policy conception to application and fulfillment is a process, occurring within a changing context. The actual significance of the Nixon Doctrine depends upon events in this process, in which the following are important contingent factors or turning points.

1. Changing Great Power Relationships in Asia: U.S.-Chinese relations, hostile until recently, with the United States formerly in support of the mainland political claims of the Nationalist Chinese government on Taiwan, now of course are changed. The United States has tacitly conceded the legitimacy of the Communist government and has consigned the status of Taiwan to local determination, contingent upon a Chinese Communist renunciation of force in the pursuit of their claims. U.S.-Japanese relations,

until recently very intimate, with the Japanese militarily dependent on the U.S., now are strained and are changing, apparently in the direction of greater Japanese diplomatic and military autonomy, and closer Japanese relations with China and, perhaps, with the Soviet Union. The very considerable risks that are inherent in this change of direction for a Japan still insecure in its political identity are discussed at length elsewhere in this report.

2. A Changing Context for Minor-Power Policies: For the past decade Asia has been dominated by the U.S.-Chinese/North Vietnamese hostility. The governments and parties of the region were powerfully affected, not to say dominated, by this political polarity and the decade-long war it produced. Of the Southeast Asian countries only Burma has escaped some form of involvement or commitment, through a policy of national isolation (and economic stagnation), and even this has proven imperfect protection against Chinese political interventions and influence. Elsewhere, most of the region's governments have made heavy anti-Chinese and anti-communist investments in their foreign and military policies under American influence, and in many cases have more energetically repressed local communist or communist-related dissidents than they would probably have done if American policy towards them had not been interventionist and activist. The changing American relationship with China leaves these governments in a sharply revised situation; their new problems resemble those of Japan in the aftermath of "Nixon shock" and the China visit, except that for Thailand, the Philippines, and South Korea there is the additional complication that they have taken active roles in the war in Vietnam. If Saigon persists in power and the NVN/NLF remains reduced to a

level which does not seem to jeopardize the future survival of the GVN, and if the United States remains actively committed to the support of these Asian governments in their present form, then these countries will probably have only a realignment to make in their foreign policies (chiefly a regularization of their own political relations with China, following the American lead). Yet it must be noted that South Korea has already chosen to make a quite dramatic move towards a changed relationship with the Korean People's Republic. If Indochina evolves toward communist or coalition government in Saigon, Vientiane and Phnom Penh, and/or a sharply reduced American political and military role in Southeast Asia as a whole, then quite drastic changes in the policies of these allied governments seem inevitable, if not a frank reversal. "High" and "low" estimates of future change are necessary here because of the uncertainties still surrounding Indochina and the eventual character of American-Asian policy, but the very prospect of change--the possibility of drastic change ensuing from the political forces set loose by Mr. Nixon's China visit--is itself a current political factor of major importance.

3. Changing Military Power Relationships: The Vietnam war has to some objectively unmeasurable degree reduced the credibility of regular military operations against insurgents. It may have reduced the credibility of air power as a weapon against irregular troops, and perhaps its credibility as a weapon against fairly simple Asian economies, and accordingly its weight as a deterrent. The scale of change remains dependent upon the war's long-run outcome. Even if airpower should be proven less than a decisive weapon in these circumstances, its destructive power has nonetheless been given a brutal demonstration--but also its destructiveness

to the domestic landscape and social structure when it is used against insurgents within one's own country. If the reduction in overall credibility proves a major one, then the utility and credibility of the Nixon Doctrine's residual military guarantees to American allies obviously are sharply reduced. Also factors of military importance in the future will be (1) the size and character of Japan's evolving military establishment, (2) Soviet naval presence and activity in East and South Asian waters, (3) China's nuclear power and nuclear relationship to Japan, (4) whether American ground forces remain in South Korea under the changing circumstances there, and (5) the nuclear evolution and political stability of India.

4. Changing Economic Power Relationships: Japan's present economic size and vigor, with its promise of Japan's overtaking gross Soviet GNP in the 1980's, is the most important factor here. Next is the very high rate of growth being achieved in the other (predominantly) Sinic cultural areas of East and Southeast Asia: Korea, Taiwan, Hong Kong, Singapore, and South Vietnam. The possible significance of this has been discussed, but imaginably could extend to an "ideological victory" of free economic growth over a Chinese economic model characterized by autarchy and social justice, accomplished at a fairly austere level of economic activity (and of course the opposite is also perfectly imaginable). Also, the possibility of a severe world economic slump, or breakdown in free trading arrangements, cannot be discounted. This could have quite unpredictable consequences for Japanese (and perhaps American) foreign policy.

5. Changing Moral-Political Relationships: A zone of subjective assessment and values, nonetheless these issues are of great importance

to the future of the region. The questions at stake include these: will the United States in the future, in the aftermath of Vietnam, be regarded (by the relevant elites in Asia) as an essentially benevolent and constructive force in Asia, or as an entirely self-interested, or even menacing political, economic, and military factor, or as a discredited or isolated political force? Will it, in short, be respected, feared, or ignored? What assessment will be made of Japan and China, especially as they provide alternative "models" of Asian political and economic modernization and power? What will the future role be of North Vietnam as a "model" of Asian nationalism and national mobilization--and defiance of Western technological and military power? Will the West European states and the U.S.S.R. resume significant roles as exemplars of liberal and communist systems?\*

The summary implications of these changes are, at this point in the process, impossible to determine, since it may be that for the rest of

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\*Alastair Buchan provides a useful comment on this issue: "... the possession of force and influence have never been synonymous, even though the latter may be difficult to quantify and define. Considering a great power which is also a great civilization, one important aspect of influence is clearly the internal dynamism of its society. Does it provide the magnet for those that are trying to modernize or humanize their own societies? Britain had this effect from the day in the early nineteenth century when Pitt asserted that 'Britain has saved herself by her exertions and will, as I trust, save Europe by her example,' until 50 years later when Taine vividly exposed the cruel and seamy side of her Industrial Revolution. Germany in the latter part of the last century with its industrial vigor, Bismarck's social legislation and the strength of its great universities (which provided the model for their American counterparts) played a similar role. For a while in the interwar years before the Stalin purges, it looked as if the Soviet Union might play it; but, as Isaiah Berlin pointed out many years ago, it was the success of the liberal pragmatism of the New Deal which weaned my own generation away from Marxism. Without question the United States was the magnetic power from the immediate postwar years until problems like race riots, student trouble, crime, the overloading of the legal system and the evident problems of the cities destroyed--temporarily, one hopes--the



the 1970s--the period of interest in this report--no fundamental change will take place. If Vietnam remains divided, and the United States remains committed to an active military and political role in Asia, through existing mechanisms or also through the new kind of economic relationships examined above, Asian international relations may remain essentially unchanged. The role of Japan could continue to be auxiliary to the American role, and the smaller states of Asia could remain in their present status as allies or clients of the United States. The chief effect of the change in Chinese-American relations would presumably be a reduction in overt tensions and to some degree an isolation of North Vietnam. But Asia would remain ideologically, economically, and politically divided into two camps. The significance of the Nixon Doctrine would then have been tactical, and the only major change a detente--in some undetermined degree--in the American-Chinese rivalry. Thus the first probable configuration of power and politics in Asia in the late 1970s would be,

Continued strategic and political bipolarity, possibly on revised terms, and with a reduction in overt tensions.

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unique quality of the United States as the world's great experimental society. Perhaps China, if she would let more people look at her achievements more openly and more closely, could use this form of influence effectively, especially with the leaders of the developing world who face problems not dissimilar from those with which Peking found itself faced a generation ago.

A second element of political influence is national will--on which so many Teutonic and Anglo-Teutonic theses have been written--not necessarily the will to fight, but national will as an aspect of determination to change or maintain the nation's external environment. What proportion of its resources is a country prepared to devote to the achievement of its external goals, not necessarily in terms of armed forces but of involvement in the destinies of other states? What risks is a government prepared to take? To what extent is it prepared to assume the political consequences of external economic involvement? To what extent are its primary concerns domestic and its elites inward rather than outward-looking? How much authority does a government command among the young and the energetic?" "A World Restored," Foreign Affairs, July 1972.

This outcome would assume that strains and conflicts of essentially national origin did not play a major role in the affairs of Asia in the future, which (as we will note below) seems an assumption of considerable optimism. Other serious possibilities in the power configurations of the late decade include:

A new sphere of influence system resting upon great power detente.

A more fluid or shifting minor power balance system with greater or lesser degrees of great power intervention and influence, or within a neutralized political context.

A multipolar or pluralist system in the region, functioning within a system of great power detente or (relative) withdrawal.

An unsymmetrical great power withdrawal leading to the predominance in Asia of a single great power (most obviously, if not necessarily, China or Japan, since they are the two powers which do not possess the option of withdrawal, although their policies may in the event prove isolationist in character).

"Henceforth, European commerce, European politics and European activity, although becoming actually more intimate, will nevertheless, sink in importance, while the Pacific Ocean, its shores, its islands, and the vast regions beyond, will become the chief theater of events in the world's great hereafter."

--U.S. Secretary of State William Seward

## II. ECONOMIC CONTEXT: THE RISE OF THE PACIFIC BASIN\*

In the 1970's and 1980's the Pacific Basin is likely to emerge as the center of world economic dynamism and growth. As it does, this region will either fragment dramatically, thereby limiting its own growth rates, or it will become highly interdependent and might even develop some degree of political consciousness. The magnitude of what is occurring in the Pacific has only recently become highly visible, but the development has long been underway.

Historically many different areas have been the focal point of world economic dynamism: China, the Middle East, the Mediterranean Basin, Britain, the North Sea, and the North Atlantic. In recent centuries the decisive economic developments included: the institutionalization of two percent growth rates in Britain during the eighteenth century; the subsequent institutionalization of three to seven percent growth rates in the U.S., the U.S.S.R., and some parts of Europe; and most recently the apparent institutionalization of even higher growth rates in Japan and some of her neighbors. In each case these economic accelerations have greatly influenced political and cultural history. Similarly, the rise of the Pacific Basin--which encompasses North and South America and Northeast and Southeast Asia--may constitute the most striking phenomenon of the twentieth and early twenty-first centuries.

Steady, and sometimes spectacular, economic growth is not a new phenomenon in eastern Asia, but the extraordinary long-run possibilities

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\*The original version of this chapter, written for the Nixon Doctrine Contract, has been substantially augmented with research done for Hudson Institute's Corporation Environment Study.

of this steady growth did not immediately become visible. Because the growth started from such a low base, substantial progress had to occur before Western eyes could see it. Western eyes often see as picturesque the palm-thatched huts of the most primitive stages of Asian development, and view as intolerably squalid the metal roofed shacks that accompany successful transition to a higher stage. Also, progress was frequently interrupted either by the rigidity of ancient social structures, or by violent upheaval resulting from the collapse of traditional or colonial structures or from World War II. Such interruptions are possible in the future, but most of the collapse of old social systems has already occurred and the nuclear age has brought inhibitions to general war.

Continuation of dramatic growth is not inevitable, but it is a likely consequence of moderately competent major power policies. By now, with Japan's GNP the third largest in the world, and with Singapore's GNP passing \$1,000 per capita, the possibilities of an extraordinary regional takeoff are becoming visible.

These possibilities continue to rest on:

1. Investment of flowing into the region, initially from the European powers, then primarily from the U.S., now primarily from the U.S. and Japan;
2. The extraordinary capabilities of the Japanese socio-economic system for growth;
3. The economic skills and diligence carried by Sinic culture throughout much of Pacific Asia;
4. Increasingly, the interaction among these newly dynamic economies;
5. The efficiency of modern communications and ocean transport technology;
6. Regional peace, despite local warfare; and



7. Rising governmental effectiveness in economic planning and policy.

Phase One: The Rise of the United States and Japan

The first phase of the rise of the Pacific Basin was a response to European intrusion. Throughout the Pacific Basin, in Northeast and Southeast Asia and in North and South America, European traders, missionaries, soldiers and bureaucrats systematically disrupted social structures which, whatever their other virtues, did not spontaneously generate sustained economic growth and often resisted it. By historical accident, in the era of European penetration of the Pacific Basin the societies of the region were either primitive and divided, as in the case of America and Southeast Asia, or in periods of political decline, as in China and Japan.

In South America and Southeast Asia the Europeans followed a strategy of dividing politically in order to conquer, but they created larger markets more conducive to growth. The roads, communications, administrative skills, and philosophical orientations prerequisite to economic growth accumulated.

Where Southeast Asia's problems derived from small size and disunity, China's problems derived from excessive size and excessive unity. China's hugeness inherently slowed change. Her enormously powerful bureaucracies, her unsurpassed incorporation of her intelligentsia into a bureaucratic orthodoxy, and her ancient talents in diplomacy, all helped China resist change. And the decadence of these same institutions and skills rendered China incapable of imposing change upon herself. But as in other regions, the accumulation of infrastructure and the sorting out of new ideas and new institutions went forward.

The dramatic rise of the economies of Japan and North America, and the preparation for growth in other areas, constitute the first phase of the rise of the Pacific Basin. Their dynamism, mutually beneficial trade, and competition continue to drive them upwards. But their very success transforms the context within which they operate, creating a new context which constitutes the second phase of the rise of the Pacific Basin.

Phase Two: The Rise of the Siniculture Region

In the nineteenth century and the first half of the twentieth century predominant European economic influence gradually became counter-balanced by American influence in South America and by American and Japanese influence in Southeast Asia. World War II destroyed European and Japanese predominance in both regions, and for a quarter century thereafter, trade, investment, aid, and maintenance of stability were principally an American responsibility.

But in peace the Japanese economy recovered its extraordinary capacities for growth and was spurred to even faster growth by American military demand during the Korean and Vietnamese wars. By the early 1970's, Japan surpassed American trade with every Southeast Asian country outside wartime Indochina, and entered an early phase of balancing American economic influence in South America. Economically the "American century" in Asia lasted only twenty-five years. American investment in the Basin still outweighs all others, and American investment will remain as one of the principal forces in the Basin for the indefinite future, but the dynamism of the Basin currently derives from Japan and her small Northeast Asian neighbors.

By all the conventions of Western economic experience Japan should be incapable of rapid economic growth. Lifetime employment should slow growth by reducing labor mobility. Lack of raw materials should destabilize growth by imposing dependence on unreliable foreign sources. Oligopolistic conglomerates collaborating with government should inhibit the efficient allocation of resources ensured by greater competitiveness. Labor shortages should raise costs to the point of reduced ability to compete in world markets. But it turns out time after time that these "constraints" can be broken, and even turned to advantage, by using diligence, skillful organization, and a cooperative spirit to stimulate high growth rates. These in turn ensure the availability of jobs for those lifetime-employed workers; enable rapid diversification of sources of raw materials; and create pressures to keep performance standards high and accelerate labor productivity. For Japan the "obstacles" to rapid growth have so far served as Toynbeeian challenges to be overcome by social institutions geared to high growth rates. The challenges of the future are great, but no greater than those of the past; the chief dangers are loss of nerve, prolonged energy shortages, and antagonism with the U.S.

Japan is essentially a processing center with no significant native raw materials and thus depends on international trade. However the vulnerability caused by such dependence is often exaggerated. Japan is rapidly diversifying her sources of supply. She remains terribly dependent on Middle East oil but this could be greatly reduced in the 1980's and 1990's if other sources of supply in Siberia, on the continental shelf of Asia, and elsewhere are developed rapidly. By the mid-1980's

nuclear energy should dramatically accelerate this diversification.\* Japan's supply of primary resources is vulnerable to military interdiction, but this would be tantamount to a declaration of war and could invoke Japan's alliance with the United States. Finally, Japan's acknowledged economic vulnerability to changes in world trade patterns must be qualified by the great size and profitability of Japan's internal market. Indeed the enormous needs of her internal market contain the solution to many frictions with other countries as well as the key to the continued rise of the Pacific Basin. Arguments that the Japanese economy is a fragile blossom should be viewed not only in light of Japan's vulnerability to energy shortages, but also in the light of the extraordinary toughness demonstrated in response to recent monetary instability.

Japan's leaders have in the past emphasized exports as a patriotic duty and neglected construction of domestic social infrastructure and basic amenities for Japan's own population. In the coming two decades Japan will emphasize these infrastructure and welfare needs and deemphasize exports. To the extent that she does so she will increase her own stability and at the same time relieve international antagonism by reduced aggressiveness in exporting.\*\* As has happened so often in the past, Japan faces a challenge which many Westerners see as forcing lower

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\*For detailed projections, cf. U.S. Atomic Energy Commission, "Forecast of Growth of Nuclear Power," WASH-1139 (January 1971), p. 11.

\*\*The extent to which this can occur depends upon the precise resolution of energy shortages and high energy prices, and upon the outcome of the ensuing monetary problems. Japan's problems here are severe, but are shared with other powerful nations to an extent that creates intense pressure for at least a partial resolution--or for worldwide economic tragedy.

growth rates, but which can actually be better resolved through high growth rates. Domestic welfare can best be enhanced by continued emphasis on growth. Pollution can best be reduced in importance through huge government expenditures financed by growth, by growing into more modern industries which generate less pollution, and by exporting industries in accordance with other pressures for high growth. Oil dependence can best be reduced by vast investments in oil exploration and nuclear power.

Conceivably Japan will lose its nerve and adopt a much-slower-growth policy, or internal political turbulence will prevent implementation of ambitious plans, or Japan and America will so mishandle their relationships that growth is slowed; but given moderately wise policies\* in the U.S. and Japan, economic growth of seven to ten percent can continue.

Japan faces rising labor costs, a labor shortage at home, increasing distaste for the pollution generated by her manufacturing industries, and increasing emphasis on less profitable sectors in her economy. The labor shortages and costs force her to slow growth, to import cheap labor, or to export her industries. For a population whose living standards remain very low, deliberately and drastically slowed growth is politically untenable. Because Japan wishes to maintain her homogeneous society she will not import cheap labor from abroad in the way the nineteenth century U.S. did. But an extraordinary pool of cheap labor is available in surrounding countries, and those surrounding countries greatly desire

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\*Wise policies would avoid all major errors, an impossible standard. Foolish policies would, for instance, respond to normal competition with great hostility. Moderately wise policies would be neither much better nor much worse than those of recent years--but hopefully a little better.



economic development and are less concerned by the problems of pollution. (A frequent comment in Korea is, "Give us your pollution.") Thus Japan's problems create pressures for a vast migration of Japanese capital to nearby countries. Along with Japanese capital will go technology, organization, and a network of Japanese managers and communications which will greatly contribute to the economic integration of Eastern Asia.

American export of industries complements and accelerates Japanese development of the Pacific Basin. American companies, uncompetitive in facing superior Japanese labor productivity, find that they can regain their competitive edge by exporting themselves to the cheaper and more diligent labor of the less developed Siniculture areas. In turn Japanese companies find themselves unable to compete with the American multinationals and thus migrate out of Japan to other Siniculture areas.

Other forces also enhance Japan's foreign investment. Rising demands for raw materials, together with a policy of seeking thirty percent ownership of total foreign sources of raw materials, will greatly accelerate investment. Space and labor shortages and pollution controls will force out much of the iron and steel and other similar industries. Preferential treatment of products of developing nations encourages heavy foreign investment. And the government provides loans to assist foreign investment. By 1980 Japan may have invested eight billion dollars in Asia.\*

These exports of industries go first to regions whose cultures derive from China. The Siniculture countries possess in common such

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\* Charles Sebestyen, The Outward Urge: Japanese Investment World-Wide (London: Economist Intelligence Unit, 1972), p. 20.

characteristics as extraordinary diligence, great mechanical skills, entrepreneurial skills, organizational ability, and (less regularly) high capacity for saving. The organizational and entrepreneurial skills derive from a Chinese culture whose organizations, from national down to village levels, have outclassed those of other world regions for the better part of two millenia. Diligence presumably derives from cultural factors and the pressure of overpopulation. Saving conceivably derives from origins in a region where one had to survive through the winter, and from a sense of time that stimulates concern for future generations, as well as from firm and innovative government policies (e.g., firm on inflation and innovative on interest rates). Mechanical skills, too, date from far into the Confucian past; the pre-industrial machinery of China always impressed visitors. Whatever the origins, this Siniculture region possesses talents uniquely adaptable to the needs of industrial society.

Strong, competent government administration and planning have also become key reasons for high growth rates in Siniculture countries. In Japan, Korea, Taiwan, Singapore and Hong Kong, governments have been able to muster competent opinions, to reach timely decisions on delicate problems, to adopt unconventional policies (such as extremely high interest rates), and to make their decisions stick without disruptive unrest. They have kept interest group competition from producing runaway inflation. They have been willing to intervene strongly in the economies, but have done so in undogmatic fashion. Most have created planning staffs which foresee bottlenecks and provide long-range perspectives for current decisions, but which also understand the necessity for abandoning plans when circumstances change. (Taiwan has a one year plan, a four year plan, a ten year plan and a twenty year plan, yet Taiwan adapts to sudden changes

with remarkable flexibility and grace.) This administrative competence lies at the heart of these countries' past successes and future prospects.

The Siniculture region includes China, Japan, the two Koreas, Taiwan, Singapore, Hong Kong, the two Vietnams, and to a lesser extent, Thailand. Where special circumstances have not inhibited rapid growth these countries have all grown recently at a rate of about ten percent each year. The principal exceptions are: China itself, where bureaucratic heavy-handedness and political upheaval have slowed growth; the Vietnams, where war has slowed growth; and Thailand, where only in Bangkok and its vicinity does the Siniculture dominate the economy. China's economic performance has been respectable despite the burdens of size, bureaucratization, political upheaval, and ideology.\* So far at least China has feared foreign capital and technicians, but the rest of the Siniculture region has been hungry for Japanese capital and managerial skills and has sustained ten percent growth rates for a decade. The Japanese economic miracle has become the Siniculture economic miracle. The ricksha boys of a decade ago now drive their own cars.

Siniculture growth will accelerate growth in Australia and New Zealand, and will pull up Brazil, and to some extent Canada and Siberia, where great reserves of raw materials exist to fuel the Siniculture growth.

From its earliest period the rise of the Pacific Basin has depended upon the development of technology, and particularly ocean transport technology. Ocean transport has always been cheaper than land transport,

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\*For a recent assessment, cf. Dwight Perkins, "Looking Inside China: An Economic Appraisal," Problems of Communism (May-June, 1973). China's growth rates have been about half those of the other Siniculture countries, but still respectable.

but right up to the prewar period the Pacific Ocean, constituting 75 percent of the world's water surface and covering more than one-half of the globe, was the barrier and isolator of Japan and the other insular countries. Today it is the integrator because ocean transport has cheapened relative to land transport and become rapid enough to be efficient. It is now cheaper to ship cars to San Francisco from Yokohama than from Detroit, cheaper to send coal from the West Coast of the United States to Japan than to the East Coast of the United States, cheaper to move coal from Hampton Roads to Tokyo than from Osaka to Tokyo. Transportation across the Pacific has become comparable in cost to transportation across the Atlantic. Likewise telephone communications have become cheaper as satellite communications become available. The Atlantic used cable at lower cost than the Pacific, which was just too big. Soon satellite communications will make it just as cheap to call Bogota from Tokyo as to call Osaka from Tokyo. (The supersonic transport would probably not make a great difference in transportation in the North Atlantic, but it would make an enormous difference in the Pacific--cutting flying times in half.) This technological change lies behind the economic and political phenomena which lead us to view the Pacific Basin as a unit.

#### The Three Minor Powers (South Korea, North Korea, Taiwan)

All three of the minor Northeast Asian countries have relatively large Gross National Products for what are usually thought of as small nations, ranging between \$5 and \$10 billion in 1972, and roughly doubling by 1980. Their populations are also reasonably large for minor powers. (E.g., compare with Greece, Norway, Denmark, Belgium, and the Netherlands,

or with most Latin American or African nations.) The comparison is not misleading; their economic heft and population size are large enough to make these into what might be thought of as significant countries.

TABLE 1

	1972			1980		
	GNP*	POP. **	GNP/CAP	GNP*	POP. **	GNP/CAP
TAIWAN	7	15	\$450	13	18	\$700
SOUTH KOREA	10	33	\$300	20	40	\$500
NORTH KOREA	5	14	\$350	8	18	\$450

\* IN BILLIONS OF U.S. 1972 DOLLARS

\*\* IN MILLIONS OF PEOPLE

None of these countries likes its current status. That is, both North and South Korea would like to be united, and at least the government of Taiwan would like to be united with Mainland China--all, of course, on their own terms. But the chances are that all three will persist as more or less independent nations, at least through the '70's. All three feel quite precarious and uncertain, but all three have exhibited a degree of toughness and independence that indicates that their sense of precariousness and uncertainty does not paralyze them. Instead it gives them a toughness and a seriousness of purpose that affects their populations as well as their governments, in sharp contrast to the attitudes of much of the rest of the world. All three should have the high morale which comes with great economic success, with surmounting clear-cut present difficulties, and with continued survival in a difficult situation.

Their strength increases the likelihood of peace, and peace is a prerequisite of continued development.

All three of these countries today are considered underdeveloped nations, but Taiwan should drop that status sometime within the decade of the '70's, and South Korea and North Korea will come very close to dropping that status. All three have very adaptable and usable work forces and other talented people. In effect, all three are today in a transitional status.

The Koreans. Economically the partition of Korea in 1945 was a disaster for the South. It is the North that is rich in hydroelectric power and minerals; and with about half the population of the agricultural South, it was in a much better position for economic development. While the North had 85 percent of the chemicals, 79 percent of the coal, and 97 percent of the iron ore at the close of World War II, the South had produced 64 percent of the rice in the peninsula, 70 percent of the cotton, and 86 percent of the textiles.\*

In the early years after the Korean War, the North successfully carried out massive land reform and became one of the most centralized socialist states in the world (and one with a development ethic comparable to the Soviet Union) while the South floundered for lack of careful planning.\*\* Since 1960, North Korea's rate of growth in industry and agriculture as well as national income have been decreasing. Although the

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\*U.S. Army Area Handbook for Korea (1964), p. 152.

\*\*David I. Steinberg, Korea: Nexus of East Asia (American-Asian Educational Exchange, Inc., 1970), p. 34.



growth rate is not so impressive as before, it remains high; the claim that North Korea is stagnating appears exaggerated.

Until the adoption of the first Five-Year Plan for 1962-1966, the South fared much worse than the North. But since 1963, only Japan and Israel have exceeded South Korea in national growth. The average GNP growth rate since 1965 has been 11.8 percent (15.5 percent for 1969), and exports have increased at an annual rate of 37.2 percent. Three external forces have spurred South Korean growth. One is American aid. The second is the war in Vietnam. Most important in the long run has been the normalization of relations with Japan, bringing a significant influx of capital: \$300 million in reparations, \$200 million in soft loans, and \$300 million in commercial credits over a decade. To be sure, South Korea still has many serious social and economic problems; but, at least it seems to be on the road to development.\* It seems quite likely that the recent very high growth rates in South Korea will not only be sustained but may even be increased as both the United States and Japan seek opportunities to utilize the very skilled and responsible labor available in this country, and the favorable investment climate offered by its government. South Korea is likely to become the Ruhr of the Pacific Basin, not just because it has raw materials, but because it has one of the finest work forces in the world and, more important, the space and will to develop into a Ruhr.

North Korea will benefit increasingly from Japanese trade and investment. Agreements already signed allow trade to rise to as much as a half

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\*Ibid., pp. 34-47.

billion dollars by 1976, and provide for easy bank credits and exchange of trade missions. Intense South Korean political objections to such agreements will not prevent expansion of Japanese-North Korean economic ties; indeed Seoul-Tokyo tension will only enhance such ties, particularly in the wake of such incidents as the kidnapping from Tokyo of Kim Dae Jung in August, 1973.

In sum, North Korea is traditionally the more highly industrialized, technologically advanced, and politically organized part of Korea, but it probably will not continue to have this status. North Korea will probably continue to have certain advantages in "national character" over South Korea and will probably tend to have a slight edge in per capita income. However, because of the nature of the Communist society, and because of the priorities set by its government, South Korea's standard of living is likely to appear substantially higher than North Korea's. This in itself may cause some new strains in North Korea, but the North Korean government can easily cope with such strains.

Taiwan. The Republic of China is still considered an underdeveloped nation but its economy has now been growing at about a rate of roughly 10 percent a year for a decade and industry constitutes a greater part of the GNP than agriculture. By the end of the '70's it will be a developed nation able to support an impressive military machine without outside economic assistance. U.S. and Japanese aid to Taiwan have been terminated and investment has leveled off, but it seems likely that Taiwan will continue to benefit from substantial Japanese trade and investment. Investment in Taiwan is likely to remain very profitable and it seems likely that American and European private investors will make up for some of the

losses with regard to Japan--if those losses continue. A recent softening of the PRC's attitude toward investment in Taiwan suggests the possibility of a new surge of Japanese investment. Diplomatic isolation and general disparagement of Taiwan's pretensions to represent all of China have led Taiwan to emphasize economic development and superior quality of life as the distinctive characteristics which legitimate its continued independent existence. (In the year after Taiwan's diplomatic debacle, her growth rate rose to 12 percent.) Now more than ever the Taiwanese understand that their very survival depends upon economic development. Although domestic or international political problems could disrupt Taiwan's growth, it now seems quite likely that they will respond to the challenge of U.S. and Japanese recognition of Peking in such a way as to play an important economic and eventually diplomatic role in Eastern Asia. Taiwan will become a major industrial, trading, and commercial power, but will focus more on services and consumer goods than the Koreans. Already Taiwan can compete with Japan in the consumer and electronic products that rocketed Japan to world prominence in the 1950's and '60's. The Taiwanese will simply take much of these markets away from a Japan whose wages are no longer competitive.

#### The Three City States

Singapore, Hong Kong, and Macao are city states rather than nation states. They are militarily vulnerable and possess no substantial natural resources of their own but they will play distinct and important roles in the emerging Pacific Basin.

The Chinese could seize Hong Kong at any time they wish, but China has traditionally preferred to keep foreigners and foreign trade isolated

in one or more enclaves on her coast where they would exercise minimal influence over Chinese social and political life. The Hong Kong area was the first of the treaty ports and is now the last, having endured through imperial, republican, warlord, and communist regimes in China. As China engages in greater trade and other contacts with foreign countries certain other ports like Shanghai may open up to some extent, but Hong Kong is likely to retain its traditional and preeminent position as China's source of foreign exchange, China's foreign exchange market, her shopwindow for Western technology, and the instrument by which China's traditional policy of containing Western social influence operates. Hong Kong's very weakness protects her, because China does not feel threatened by her. The insecurity of investments in Hong Kong has recently been greatly reduced by Chou En-lai's assurances that Hong Kong is not a "problem" for the PRC and that no action will be taken on Hong Kong until Taiwan is settled. The lease on the New Territories, which comprise most of Hong Kong's territory, expires in 1997, but the PRC does not accept the lease as legally binding and thus officially does not care about the lease's expiration.

Macao has a seedy reputation as a site of vice and gambling. As tourism blooms throughout the Asian region Macao is likely to respond by capitalizing on its exotic and exciting reputation and by attempting to upgrade that reputation. In all likelihood she will turn herself into a sort of Monaco of Eastern Asia. The bargains of Hong Kong and the excitement of Macao will complement each other and will ensure the continued competitiveness of the twin city states in the tourist market. Macao,

however, is more vulnerable than Hong Kong, and her principal defense is the PRC's desire not to alarm Hong Kong.

Some of the strongest competition for tourists and for investment will come from Singapore. As the Pacific Basin development accelerates, Singapore is likely to become the administrative and financial capital of the Basin. As a free port and tourist center it is gaining on Hong Kong. For executives of multinational corporations it will probably prove more attractive. Singapore combines the characteristic diligence, competence, and effective public service of a small state dominated by Chinese with the cultural synergism of a multinational city state. It combines a veneer of democracy with the tough efficiency and authoritarianism of a dominant party headed by Lee Kwan Yew. Its educational system is strong, its economy is developed (roughly \$1,000 per capita), and its cultural and recreational opportunities increasingly make it a far more pleasant residence for executives than Hong Kong. Singapore has displayed far greater concern for the needs of commerce and the wishes of corporate executives than have its neighbors Malaysia and Indonesia. Its main problems are Indonesian and Malaysian suspicion of the Chinese, their resentment of Singapore's superior success, and their limitations on Singapore's trade and export of industries.\*

#### Vietnam and Thailand

Vietnam's people share the characteristic Siniculture diligence, entrepreneurial ability, mechanical skill, and willingness to save.

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\*For a summary of Singapore's economic situation in terms of growth, labor shortages, and so forth, cf. Willard A. Hanna, "Singapore Success Syndrome Revisited," American Universities Field Staff Reports, Southeast Asia Series, XXI, 3. The "Comment" by Alan R. Sweezy is an essential corrective to the article.

North Vietnam's economic development may be slowed by rigid and bureaucratic government, but South Vietnam's economy could soon begin an impressive spurt of economic development which is likely to continue to the extent that the country achieves peace. Total peace is not necessary. For instance, the situation could be much worse than the Arab-Israeli conflict and still allow rapid economic growth.

To a lesser extent Thailand, and in particular the Chinese minority within Thailand, possesses the appropriate skills and will be able to achieve growth to the extent that peace is maintained. Superior ability to integrate the Chinese minority into the country's political and social life enhances Thailand's prospects. In the past the Vietnam war has stimulated Thai economic growth rates. But the Thais remain militarily vulnerable and culturally not so adaptable to high growth rates as their more Sinic neighbors. Most of the impetus of Vietnam is past. Thai development is not likely to be nearly as rapid as her neighbors, although she will continue to experience an extraordinary tourist boom and although after Taiwan she is the largest Asian recipient of Japanese investment.

#### The Quarries of the Basin

Raw materials for the manufacturing industries of the Basin will come from the vast and virtually untapped storehouses of Australia, Canada and Brazil, and later from the perhaps even vaster reserves of Siberia. The likely booming growth of the Basin in the next decade or two is foreshadowed by a current rush to explore these areas and by the willingness of Japanese corporations to sign raw materials contracts for periods as long as 10 and 12 years in the future. Already Brazil's trade is orienting



itself away from the Atlantic toward the Pacific Basin,\* and the southern half of Brazil has become the most rapidly developing area in the world.

Phase Three: Development of Southeast Asia  
and Latin America

The rise of the Siniculture region parallels the rise of Japan as a major economic power, and it recapitulates much of the history of Japan's economic rise. Taiwan's transistor products increasingly squeeze out Japan's. Singapore, Taiwan and Korea become important shipbuilders. Taiwan's and Korea's textiles flood world markets. As these processes mature, eventually the entire region will face many of the problems which Japan currently faces--including huge trade surpluses with the U.S., rapid social change, pollution, and labor shortages. A regional labor shortage will occur, and regional labor costs will rise rapidly. Indeed, labor costs have already begun to rise quite dramatically in Singapore and Hong Kong, and Korea faces rising demands for wage increases. The whole region will face the three-pronged choice: slow growth, import cheap foreign labor, or export industries to cheap foreign labor. They are not likely to choose slower growth. Just as Japan will import some Korean and other labor (at least temporarily), so some of the smaller Siniculture countries may import some Southeast Asian labor. (Singapore has imported some Malay labor.) But the dominant choice will, for reasons of social peace, political stability, and economic efficiency, be export of industries to Southeast Asia and Latin America.

This phase of export will not be so enthusiastic as the export of Japanese industries to the Siniculture region, for Southeast Asian and

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\*See Table II, Charts C and D, on page 37.

Latin American labor is neither so competent and diligent nor so politically quiescent as Siniculture region labor. Nor will the reception of these exported industries be so enthusiastic, for cultural and political reasons. Southeast Asian cultures adapt less easily to the organization, discipline, and skill requirements of industrialization than do their Siniculture counterparts. Southeast Asian and South American societies lack the Siniculture's conditioning to hierarchical organization and political toughness.

They also welcome outside investment less readily. They more readily associate investment with exploitation. They resent the economic power of the overseas Chinese, in their own countries and in Singapore. They resent pollution more. Being less confident, and often less stable, they fear political manipulation as a consequence of foreign economic influence. Thus they accept fewer investments. When they do accept investments, they more readily allow political fears and resentments to force expropriation or to tang companies in red tape.

Against these brakes on the flow of investment other forces are acquiring momentum. Increasing national unity and confidence in the region will over time gradually reduce the fears of political manipulation. The rise of a generation of competent technocrats will rationalize decision processes and may reduce red tape. In addition, successful development is already creating an elan which facilitates rapid development. In Taiwan diplomatic frustration was considerably relieved by emphasizing the extraordinary growth rate. In the Philippines, a Catholic country where until just a few years ago birth control was almost universally regarded as unthinkable, the new Constitution makes maintenance of an

optimal level of population an important governmental responsibility. In North Korea, a recent governmental reorganization reduced the number of ministries from thirty-one to fifteen, but added two new economic ministries. In Singapore, Malays are suddenly beginning to enroll in English-language curricula because of heightened desire to participate in the economic takeoff. Throughout the Basin success generates high morale which in turn generates success.

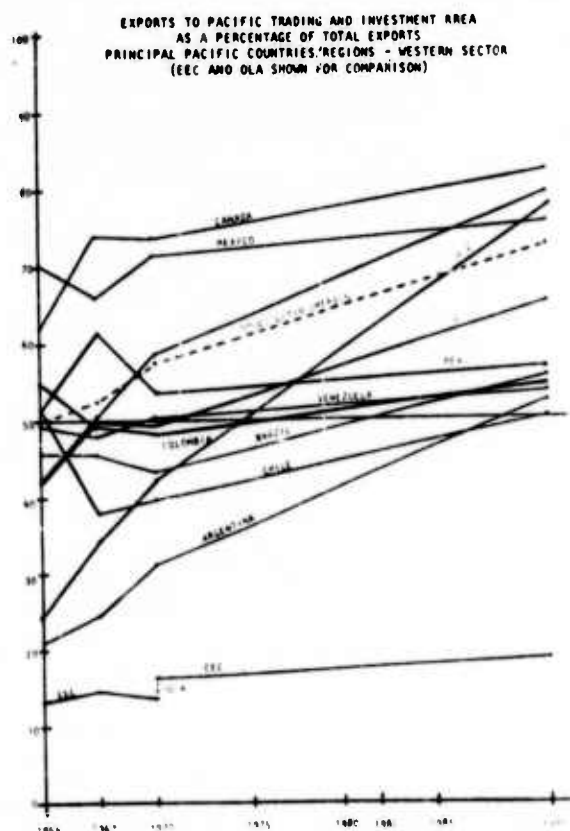
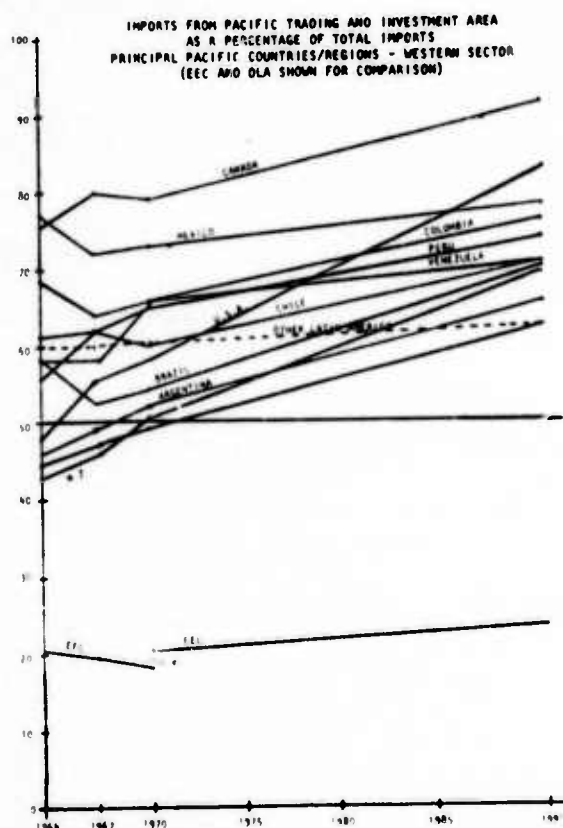
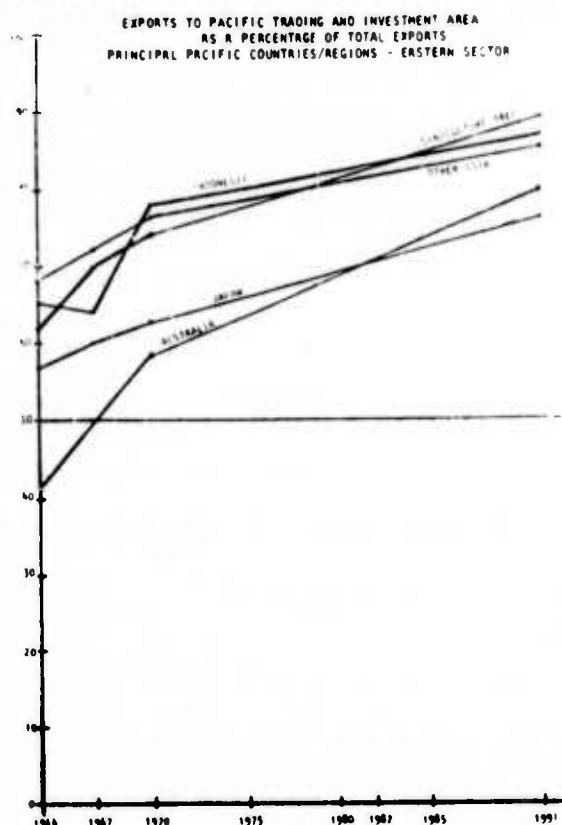
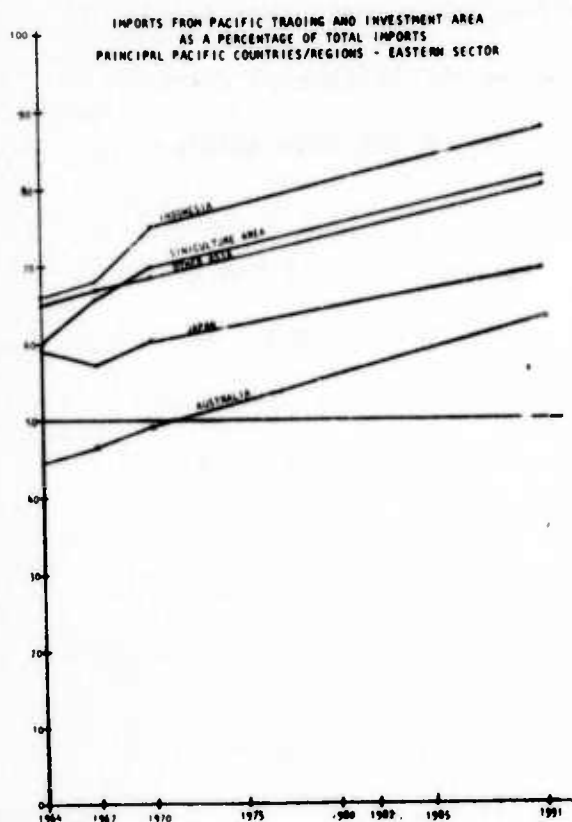
Economic success comes to feed upon itself, as dynamic countries provide markets for one another, emulate each other's successful policies, and develop regional communications and organizations. Because of the magnetic effects of Sinculture dynamism, Pacific Basin countries' trade and investment become focused in every higher proportions on countries within the Basin, and the Basin therefore becomes an increasingly integrated economic unit. North and South America, and non-communist North-east and Southeast Asia, become bound ever more tightly together. (See Table II.)

#### Membership in the Pacific Basin

Having discussed the growth of the Pacific Basin and the likely roles of some important Basin countries we must delineate the Basin more precisely. Although the term "Pacific" remains in the title of the Basin, it is more useful to regard the Basin as a functional economic concept rather than as a geographical concept. Therefore our delineation of the Basin will appear peculiar geographically (for instance, by including Brazil) but will retain economic validity. Let us define a trading and investment area as a group of countries who do more than half of their

TABLE II

# PROJECTIONS OF PACIFIC TRADING & INVESTMENT AREA - IMPORTS & EXPORTS



trading and foreign investment with one another. The world then fragments in the 1970's and 1980's into four trading and investment areas plus two groups of countries which are not in any of the four trading and investment areas.\*

Of these four trading and investment areas the Pacific Basin trading and investment area is by far the largest and most dynamic. It includes North America, non-communist East and Southeast Asia, and most of Latin America. For convenience we may divide it into Eastern and Western sectors in accordance with the following lists.

TABLE III

MAJOR MEMBERS OF PACIFIC BASIN TRADING AND INVESTMENT AREA

Western Cultural Sector

Argentina  
Australia  
Brazil  
Canada  
Chile  
Colombia  
Mexico  
New Zealand  
Peru  
United States  
Venezuela

Eastern Cultural Sector

China (Taiwan)  
Hong Kong  
Indonesia  
Japan  
South Korea  
Malaysia  
Philippines  
Singapore  
Thailand  
South Vietnam

Table II has indicated the extent to which the Basin is expanding and growing in upon itself.

The Pacific Basin phenomenon can be defined in terms of countries as we have done above but it can also be defined as the interaction and

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\*Herman Kahn and William H. Overholt, The World, 1982-1991, Hudson Institute Research Report HI-1619-RR, Chapter 2.

development of a rather large number of dynamic cities. The following list suggests what we mean.

Aukland	Vladivostok
Nakhodka	Pusan
Seoul	Hong Kong
Osaka	Bangkok
Saigon	Port Moresby
Singapore	Taipei
Manila	Darwin
Djakarta	Melbourne
Brisbane	Wellington
Sydney	Vancouver
Honolulu	Portland
Anchorage	San Francisco
Seattle	San Diego
Los Angeles	Cali-Buenaventura
Panama	Lima-Callao
Guayaquil	Guadalajara
Santiago	

All these cities are internationalizing and all are seaports. Most serve as gateways to large countries or gateways from large countries. All have done well in the past five years and all have currently increased budgets for infrastructure development within cities to increase their development in the future. All are outward-looking, all are Pacific focused, and all are increasingly focused on Japan. In addition there are a number of islands which are starting to "boom" and take on the characteristics of their more developed counterparts above:

Guam	New Caledonia
Okinawa	Fiji
Bougainville	Tahiti
New Hebrides	

These island booms are due to large-scale developments in some combination of resources or manufacturing or tourism.

The membership of the Pacific Basin is not constant. The economic firestorm effect discussed earlier will accelerate the dynamism of the Basin and as a result attract increasing proportions of the trade and



investment of outsiders and thus expand membership. South Africa and some additional Latin American countries are obvious candidates for relatively late membership.

The dynamism of the Basin will greatly influence the development of the entire world economy. Among the areas of greatest impact will be: the Middle East, because of Japan's demand for oil; Western and Central Siberia, which are the subject of current Japanese negotiations for oil, gas and iron; East Africa, where Japanese trade and investment have increased rapidly in the last five years; and China, which possesses an extraordinary labor supply and desperately needs capital.

The most important economic consequences of the development of the Basin will probably reside with members of the Basin themselves. Most important for the future of world politics will be the impact on China and the Soviet Union. Both China and the Soviet Union could profit enormously in a purely economic sense from greater participation in the dynamism of the Basin, but both perceive severe political risks in doing so. In Siberia the Soviet Union possesses vast reserves of raw materials which Japan needs to continue her economic boom; Russian efforts to develop Siberia using purely internal resources have failed to achieve sustained and rapid development. The Japanese have the capital and organizational skills to develop Siberia and the resources with which to buy the products developed. But Japan and the Soviet Union are old rivals and the Soviet Union naturally fears the rapid growth

of this capitalist nation and the penetration of the underdeveloped Soviet hinterland by the rival who defeated her in 1905.\*

Similarly, China possesses almost inexhaustible supplies of the world's highest quality labor at virtually the world's lowest cost, and China could greatly accelerate her development by accepting foreign capital, while nearby Japan increasingly faces a labor shortage and a desire to export industries to nearby nations. China's labor is so efficient, so cheap, and so inexhaustible that access to Chinese labor would both drive Japan's growth rates to new highs and relieve the labor shortages which drive the development of Southeast Asia. But the Chinese retain vivid memories of a humiliating century during which they were manipulated into unequal treaties by Europeans, Americans, and Japanese who used loans and commercial concessions to undermine China's sovereignty. In order to protect their sovereignty the Chinese have accepted moderate economic growth rates when they could have growth rates among the world's highest by accepting foreign investment. China's concern for independence is not likely to vanish, although further moderations of the policy of self-reliance will undoubtedly occur in the next decade.\*\*

In all probability mutually profitable relationships will be worked out between Japan on the one hand and the Soviet Union and China on the other hand, but these economic relationships are likely to remain

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\*In April 1974, Japan loaned the U.S.S.R. one billion dollars at low interest rates for Siberian development. Cf. The New York Times, 23 April 1974, p. 1.

\*\*China has begun accepting some short-term credit, and some tacit Japanese loans through banking operations. Cf. Far Eastern Economic Review, 17 June 1974, pp. 42-3.

relatively modest for the next decade or two. However, the Chinese and the Russians could get forced into competition for Japanese investments. Presuming a continuation of the Sino-Soviet split, Japanese development of Siberia would greatly improve Russia's military capabilities on the Chinese border, and likewise Japanese development of North China could greatly improve China's strategic situation relative to the Soviet Union. Thus to the extent that one of them accepts Japanese development, the other must seek comparable advantages, either through an opening to Japan or through an opening to some other large country or group of countries or through strengthened military alignment with some power outside the region.

#### Political Aspects of the Basin

The economic development of the Basin depends upon key political prerequisites and upon the solution of key political problems generated by the Basin development itself. Problems arise within individual countries, among the small powers, among the big powers, and between small and big powers. Each of these kinds of problems is potentially serious, but each is susceptible to amelioration through moderately competent political policies.

Growth and Stability. Such a dynamic economic process as the development of the Pacific Basin will generate profound social changes, which will in turn affect politics within and among the countries of the Basin. The character of these political consequences is by no means self-evident. Two decades ago it was thought that economic development would automatically enhance stability. Subsequently scholars realized

that the disruptive social change generated by rapid economic growth creates political strains within societies and provides new resources to discontented groups. But flexible governments should be able to exploit the same improved communications, leadership, and so forth, that insurgent groups exploit.

Societies with (1) strong central government bureaucracies and (2) party systems that link the government to people are likely to be able to exploit the additional resources development provides and to remain stronger than potential insurgent groups. In their different ways both mature democracies and mature communist states possess these prerequisites of stability. Dictatorships and military governments often do not. However, throughout Eastern Asia central government efficiency is increasing and lines of communication between center and periphery are multiplying. Second, some countries have higher tolerances than others for the disruptions of development. The Siniculture areas seem willing to tolerate relatively high levels of social disruption so long as they are compensated by high growth rates. Thus Basin growth need not suffer self-stimulated disruption.

At the same time, if adaptability of beliefs and social structures in the service of economic growth is achieved at the cost of ideological rootlessness and absence of commitment to particular kinds of political institutions, then growth may simply provide resources to a polity which will run wild at the first appearance of a strong leader or a national crisis. The Siniculture areas of Asia may be peculiarly susceptible to this kind of problem, the archetype of which is the rapid growth and wild swings of the political pendulum that involved Japan in World

War II. This phenomenon is a potential problem only in a few states, most of which are small, but avoidance of such problems, and suppression of the international consequences of them, may at some point necessarily become a major goal of Basin members, particularly the large members.

"Neo-Imperialism." Small countries naturally resent the real and perceived dependence that results from having their trade and investment dominated by a single big power or by a combination of a few big powers, even though the trade and investment accelerate their own development. As Japanese trade has surpassed American trade, this problem has become particularly acute, because Japanese corporations play the economic game with unusual ruthlessness. Horror stories of Japanese tactics have proliferated throughout Southeast Asia. Allegedly the Japanese are very free with bribes. They have on occasion built projects of national importance to a Southeast Asian country with materials so shoddy that they are banned in Japan. They allow local entrepreneurs to develop a market for a Japanese product and then sweep in to take over the market in a manner that bankrupts the local entrepreneurs. They set up joint ventures, then manipulate the market to bankrupt the venture and buy full ownership. Not all Japanese companies deal this way, of course, but even a few create a fairly strong reaction. This reaction magnifies the already important reaction that occurs simply because they are so big. That such reactions, which have in the past been directed primarily at Americans, should become focused on Japan is no consolation for the United States. The Pacific Basin development, and the prospects for stability in the region, are so important to the U.S. and so vitally

affected by this conflict, that the U.S. has a strong interest in minimizing the conflict.

Various forces mitigate the friction. The strength of the smaller powers of Asia and Latin America is so much greater than in the past that foreign manipulation can occur only within fairly narrow limits. Expropriation is so easy, nationalism offers such effective support to leaders who defy foreign manipulation, and the international moral mood is so opposed to strong interventions, that manipulation and local reactions are inherently limited.

Regionalism reinforces the strength of individual nations. Economic growth of the Basin will increase the interdependence of the region, and thereby stimulate regional organization. Political and business contacts will multiply, and tourism will greatly increase cultural interaction and cultural friction among members of the Basin. The 1970's are likely to be dominated by economic issues, but the late seventies and eighties may see the rise of some regional political consciousness. Seminar and study groups are already beginning to develop, including Hudson Institute's regional committees and such groups as the Pacific Basin Economic Committee. At a second stage unofficial trade and investment coordination groups may arise; given the split between the Pacific Basin trading and investment area on the one hand, and a similar European area on the other, groups whose membership reflects the splits between the two areas might arise and compete with groups like the Organization for Economic Cooperation and Development (which attempts to incorporate the entire developed non-communist world). Third, such unofficial coordination groups may eventually be made official and may become institutionalized in



a way that reflects the principal lines of cleavage among members of the Pacific Basin. For instance, such an official trade and investment coordination council might be divided into a group of large powers and a group of small powers which negotiate with one another. At a fourth level of integration systematic "rules of the game" for structuring and arbitrating economic competition and ecological issues might arise. Finally, it is possible that much of the Basin would eventually become a trade and investment community of some form such as a free trade zone, customs union, or common market. By the 1980s Latin American and Southeast Asian countries will probably see themselves as possessing a common relationship and a common set of problems vis-a-vis the U.S. and Japan. Thus regionalism will likely develop along functional rather than strictly geographic lines.

Of the various possible forms of regional cooperation--economic, political, military and cultural--economic cooperation has proved the most attainable. Regional development projects, regional investment standards, regional ecological standards, and so forth, could greatly strengthen the hands of the small powers and could greatly stabilize regional politico-economic relations to the advantage of the big powers as well as the small. This encouraging view of the prospects for regionalism must, however, be balanced by recognition that regionalism will develop gradually, that it will not within the foreseeable future possess much military significance, and that rising regional interaction and interdependence can as easily stimulate conflict as cooperation.

Paradoxically, the presence of two major economic powers in the region, namely the United States and Japan, rather than one, should also

improve the position of the small powers. Intense competition between Japanese companies and American companies should provide smaller countries with an opportunity to play the competitors against one another. American competition will keep the Japanese on their toes in Southeast Asia, and Japan will become a major force in Latin America. (Japanese investment in Brazil should pass American in the 1980s.)

The attitudes of the big powers may also significantly moderate any potential friction. Japan's Ministry of International Trade and Industry promised in early 1973 to develop a code of ethics for Japanese companies operating abroad. Rising political pressures in the United States, and sympathetic parts of key bureaucracies, may keep the activities of American companies within certain broad limits. Finally, an irrational fear in Southeast Asia that Japanese investment will inevitably be followed by Japanese military pressure tends to be alleviated by the residual presence of American bases in Southeast Asia even though those bases have no anti-Japanese roles.

Regional Small Power Political Conflicts. Today as in the past one can easily write scenarios for serious trouble in almost any single country in Southeast Asia. What has been changing for many years is the extent to which such events can influence a whole region. In 1950 one could write a believable domino theory, given the extraordinary wartime weakening of governments and social cohesion in virtually every country. By 1965 one could make such a theory credible only for mainland Southeast Asia, although until 1965 one could still believe the possibility of a fairly sudden transformation of the political character of the region--given the apparent possibility in that year of a simultaneous North

Vietnamese conquest of Indochina and PKI ascendancy in Indonesia. Today grandiose domino theories seem absurd, and recurrence of the simultaneous crises of 1965 seems unlikely although not impossible. Thus political effervescence internal to Southeast Asia seems unlikely to halt Basin growth. Likewise, in Latin America one can imagine a fairly sweeping trend to leftist or extreme nationalist governments, but not to a degree that would disrupt the overall development of the Basin.

Troubles in Japan. That Pacific Basin development could be drastically slowed by domestic political events in Japan cannot be dismissed. Something like Prime Minister Tanaka's plan must be implemented if Japanese development is to continue rapidly and without social disruption. But various circumstances impede implementation of this trillion-dollar plan. Most intellectuals have accepted the view that, since rapid growth has caused social and ecological problems, the only way to solve these problems is to slow growth; in fact the opposite is true, but decisions depend upon belief rather than reality. Publication of the plan has been connected with massive inflation of land prices and with alleged profiteering, both of which stimulate public opposition to the plan. Popular distrust of government and the rapidly weakening personal position of Prime Minister Tanaka cast doubt on whether he or even his party can muster the power and will to implement such a vast plan. In addition, given the extent to which the opposition has been gaining offices and forcing the defeat of important political initiatives, one cannot dismiss the possibility of a period of political instability or of the rise to power of a coalition which would not emphasize growth or which would so disturb relations with the United States that Basin development faced

disruption. On the other hand, one can imagine even a non-LDP government successfully implementing the key welfare, infrastructure and anti-pollution features of the Tanaka plan. And high growth rates among other countries are likely to be stimulated and supported by Japanese capital exports even if Japan's domestic growth slows drastically.

Prolonged Energy Crisis. An indefinitely prolonged, serious energy crisis could slow or halt the growth of Japan and its Siniculture neighbors. In fact, if Japan's oil supplies should be disastrously curtailed for long periods of time, Japan would almost certainly give overriding priority to domestic needs and cut off supplies of key petrochemicals to nearby countries. The effects of such cutoffs on Taiwan and Korea, which have plunged heavily into petrochemical and shipbuilding industries, could then become utterly disastrous. In effect, the Pacific Basin scenario would be run backwards--with political upheavals probably following economic debacles. But it would be premature to suppose that such debacles are likely.

Big Power Conflicts. Serious warfare among the major powers would clearly disrupt the development of the Basin. In the past the most likely such conflict was the United States against either China or the Soviet Union. However, all of the major powers currently follow Nixon Doctrine-type policies of providing moral, economic, and technological support to their friends in the region while avoiding direct military involvement themselves. As a result the probability of direct confrontation has diminished. Today the most likely big power confrontation is Sino-Soviet war, and one cannot discount this possibility completely,

but in the process of becoming deeper the conflict has appeared to become less volatile.

It isn't hard to imagine other kinds of big power conflict further in the future. Japan's drive to economic hegemony in Southeast Asia clashes with China's political ambitions in the region. Japan has long-standing although currently quiescent territorial and other disputes with both China and the Soviet Union. The rapid rise of Japan, like the rapid rise of Prussia a century earlier, could provoke an almost automatic hostile response from nearby adversaries--particularly as economic success gradually translates itself into political and eventually military power. Competition for influence in Korea makes that country a perennial flash-point in the Northeast Asian power triangle, and the volatility of the Korean situation will increase dramatically if the United States withdraws its forces from the region. More generally, the possible withdrawal of most American forces from Eastern Asia would make each of the three major powers in the region less secure and thus render conflicts more volatile. But if one had to place bets, one would guess that the next decade or so will avoid major power wars in the Pacific.

Japanese-American Relationships. Japanese-American friendship and political-military-economic cooperation can no longer be taken for granted. American impatience with Japan's slow pace in lowering trade and investment barriers and in revaluing the yen have too often combined with simple neglect of Japan's interests\* to damage Japanese-American friendship. Likewise, the Japanese have proved very slow to realize the new

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\* For details, see, "President Nixon's Trip to China and Its Consequences," in Chapter VI, B, below.

responsibilities for international monetary stability, for ecology, for development aid, and for limiting the harshness of their economic tactics in small countries.

Japanese political-military interests in regional stability coincide with America's, and joint Japanese-American interests in maintaining stable rules of the economic game and encouraging the growth of the Basin greatly outweigh the two countries' competition for larger slices of the pie, but the tendency to focus on day-to-day competition rather than long-range common interests remains the single greatest threat to the long-run future of the Pacific Basin. A Japan estranged from the U.S. would not only make difficult the needed cooperation on military and economic issues; it would become vulnerable to threats from China and the Soviet Union, and might get provoked into a rearmament which could have such worldwide consequences as extensive arms races, nuclear proliferation, renewal of strong Sino-Soviet cooperation, and increased friction in Korea, Taiwan, the Kuriles, and all the other sensitive points in Eastern Asia.

Inequality. Finally, Basin growth depends heavily on increasing economic inequality. Export of industries, which drives rapid development into new areas, occurs because certain countries are so much more successful at development than others that their labor costs rise disproportionately.

Unfortunately the rising inequality almost certainly cannot be avoided except at the cost of sacrificing a period of economic development which will bring a major portion of humanity up to decent standards of living for the first time in history. That cost would be unacceptable



to the poorer people of the region. When the entire region has become modernized one can easily imagine a leveling off of inequality. Indeed, Southeast Asian cultures and forms of organization may be more adaptable to post-industrial development than the Siniculture and North American cultures. But that is a long way off. In the meantime increasing inequality can be mitigated but not eliminated. This is unpleasant but not so unpleasant as to cancel out the enormous positive benefits of the regional development.

Such inequality is not likely to produce regional instability. It will produce friction, because of the protests of intellectuals and middle class political groups. It will undoubtedly precipitate anti-Japanese and anti-local-Chinese riots.\* But overall the realization of success will somewhat mitigate resentment of others' superior success, and within Eastern Asia at least there is likely to remain a grudging acknowledgment that superior Japanese and Siniculture success results from greater diligence and competence. Most important of all, international inequality is simply too distant from the concerns of most individuals to stimulate discontent outside certain small elite groups.

All these political relationships are sufficiently delicate that they require continuing attention. The rise of the Pacific Basin enormously benefits the United States, the rest of the Basin, and eventually the whole world. The Basin has great momentum of its own, but it can be turned into a disaster by shortsighted decisions. Most important and delicate of all the political issues are American relations with Japan.

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\*Since this was written Prime Minister Tanaka's Southeast Asian tour stimulated such riots.

Japanese-American political-military cooperation can maintain peace in the region, or misunderstanding can provoke hostility and worldwide instability. The U.S. and Japan have in the last few years made serious mistakes in their mutual relationships. The chief hope for the Pacific Basin is that the rewards of cooperation are so extraordinary, and the costs of hostility so equally extraordinary, that the necessity for cooperation is obvious.

To outline the benefits of cooperation, and the costs of failure, is the chief motivation for this chapter. Part of the Pacific Basin story is history, but future uncertainties and obstacles render firm predictions hazardous. The point is that the obstacles are not insurmountable given moderately good judgment. Hopefully, realization of the auspicious possibilities of Pacific Basin development will prove at least partially a self-fulfilling prediction, and realization of the awesome costs of less cooperative policies will make narrow, short-sighted policies less attractive and thus reduce the likelihood of some of the more disastrous scenarios hinted at above.

### III. POLITICAL CONTEXT I: NORTHEAST ASIA

#### A. Introduction

This section surveys some assumptions about the trends which will affect the structure of East Asian politics in the 1970's and early 1980's, some surprises which could affect that structure, and some historical analogies which highlight fundamental aspects of the system. A later chapter outlines some basic system structures which could result. We shall sketch trends and policy choices in broad outline and attempt to raise some axiomatic assumptions to consciousness where they can be questioned; discussions of individual countries or trends will be truncated where they do not contribute to this broad outline. The orientation will be primarily political.

#### B. Countries

##### 1. Japan\*

In the period since World War II, Japan's attention and her identity have focused primarily around her economic miracle. As her economy passes that of the Soviet Union and approaches that of America, the drive for economic growth may become less consuming as a goal and less satisfying as a source of identity. Japan could emerge from an era of economics and enter an era of politics in the last quarter of this century.

Few societies in world history have been capable of maintaining political and social stability for long periods of extremely rapid economic growth such as Japan has undergone in the last quarter century.

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\*For added material on Japan, cf. the previous chapter, as well as Chapter VI, Part B and Chapter VII, Part B.

Japan's own experience of extremely rapid economic growth earlier in this century proved to be extremely destabilizing. Although the case for probable stability has been ably argued, one may still reasonably question whether Japan's political and social institutions are sufficiently flexible to cope with economic and social change so rapid.

Japan's politics have long been dominated by the Liberal Democratic Party and by the bureaucratic and business coalition which support that party. Erosion of the Liberal Party's electoral support as its rural supporters move into the cities and adopt less conservative ideologies has decelerated, but this does not necessarily mean the indefinite continuation in power of the Liberal Democratic Party or a prolonged period of political stability. In the July 1974 Upper House elections the LDP lost heavily in provincial areas. Opinion polls show the Japanese to be deeply dissatisfied socially and politically. Japan's non-elites have so far been willing to accept a high level of economic inequality together with effective exclusion from political influence; but inflation, slower growth, pollution, welfare inadequacies,\* and renewed efforts by the Left to organize these non-elites against the dominant party, could produce a strong political force which cannot be accommodated within the current Japanese political system. If such a force were indefinitely excluded from power, the riots for which Japan has become famous could reach much greater magnitudes and induce a vicious circle of elite intransigence and non-elite violence. Alternatively, if such a force were to come to power it would lack experience in domestic government and international politics,

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\*For issues and trends in Tokyo elections 1973, cf. Tosh Lee, "Tokyo Metropolitan Assembly Election-1973," Asian Survey, May 1974.

and it would probably explicitly reject all the institutionalized arrangements which had integrated Japan into a more or less stable East Asian system.

Japan lacks an ideology or an overriding set of social goals or a weltanschauung adequate to provide meaning and purpose and policy coherence over the long run. Economic development has provided a set of overriding goals for the establishment in the postwar period, and Marxism has provided an ideology for those who have been excluded from power. If economic growth ceases to be an overriding goal and Marxism increasingly becomes passe, as seems likely, the Japanese may become susceptible to some new comprehensive ideology invented in Japan or elsewhere. The character of such an ideology would be a powerful determinant of Japan's relations with other countries. On the other hand, if some relatively moderate Marxism came to power, the short-term effect on Japan's international posture would probably be minimal since by the 1980s there will be several varieties of Marxist societies and the United States may be accustomed to dealing with them. At the same time a domestic Marxist orientation could conceivably reinforce other forces which might push Japan toward a pro-Chinese or pro-U.S.S.R. alignment. Somewhat less probable, but not impossible as an outcome of Marxist government, would be a popular reaction against mistakes made by an inexperienced leftist coalition and the resultant rise of a nationalistic, relatively right wing group organized around the Seirankai or their counterparts.

On the other hand, the Japanese currently possess a set of plans which could alleviate most of their major domestic problems and their tensions with the U.S. and non-communist Asia. The Japanese have committed

themselves to virtually complete trade liberalization, and barring protectionist American moves relatively liberal policies will almost certainly be implemented. The Japanese planning agencies have also produced Prime Minister Tanaka's plan for remodeling the Japanese archipelago,\* which is a long-term program costing well over a trillion dollars to modernize the Japanese economy, decentralize the economy, reduce pollution, build vast infrastructure projects, and improve social welfare. The effects of this plan would include easing of Japan's most important socio-political tensions, renovation of the economy, and turning Japan's economy from an emphasis on exports to an emphasis on development of the domestic market. Together with trade liberalization, this deemphasis of export promotion promised to permanently ease Japan's trade surplus and thus alleviate key tensions with the U.S. However, rising oil prices have forced Japan into a balance-of-payments deficit and thus domestic and international pressures now contradict one another; the resolution will depend heavily upon worldwide oil negotiations.

But Prime Minister Tanaka's plan has encountered great resistance. Its release has stimulated land speculation which is blamed for Japan's recent extraordinary inflation.\*\* Japanese intellectuals believe that growth inevitably means more pollution, and this erroneous view has created resistance to a plan designed to enhance long-term growth. Setbacks in foreign policy (the "Nixon shocks," the soybean embargo, and so forth), disappointment with pace of domestic reforms, and sheer electoral

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\*Kakuei Tanaka, Building a New Japan (Tokyo: Simul, 1972).

\*\*Subsequent 1973-74 fiscal policies and international trends greatly exacerbated inflation.



boredom with the Liberal Democratic Party, have decreased the strength of the government and thereby decreased its ability to implement such an imaginative plan. Along with the optimistic projection of a Japan using the Tanaka plan to solve its basic problems, one must therefore also include a pessimistic scenario. Liberal Democratic weakness could impede implementation of the Tanaka plan, and non-implementation of the plan could exacerbate the problems which cause Liberal Democratic weakness. One could imagine in this situation that the Tanaka Cabinet could be rapidly followed by another Liberal Democratic cabinet, which would also lack strength, and that continued failure to solve basic problems through formation of a coalition between the more liberal LDP factions and some Socialist or Komeito factions. In this scenario, failure to implement the Tanaka plan would mean worsening Japanese-American economic and political tensions, and the ascendancy of a partially socialist government would bring to power some men of decidedly anti-American views. If this happened, Japanese-American relations could become very tense, and the Security Treaty would probably be abandoned. But one can also imagine that even such a cabinet might not wish to exacerbate tensions with the U.S. excessively, and one can easily imagine such a government implementing the thrust (but probably not the details) of the Tanaka plan, since compelling economic reasons exist for the broad outlines of the plan, and since the welfare, infrastructure, and anti-pollution measures don't contradict any central articles of faith of the Socialist and Komeito parties.

Internationally Japan views herself as unique and superior. Unlike the United States, the Soviet Union and China, Japan does not feel any need to proselytize its system elsewhere; thus Japan's involvements with

other nations tend to be essentially non-ideological. Japan has a strong stake in international stability because of her dependence on foreign resource agreements, foreign markets, freedom of the seas, and increasing overseas investments. Japan perceives herself as weak because of her lack of military power, her dependence on external supplies and on vulnerable sea lanes, her scarcity of social overhead capital, and her perception of the United States as an ally which cannot quite be trusted. Diffuse anxiety dominates specific threats or fears in Japanese politics, but the years prior to World War II demonstrate that diffuse anxiety can drive foreign policy just as successfully as can reactions to specific threats or fears. Despite her perception of herself as weak, Japan is getting stronger and increasingly resents dependence on the United States. She is aware of her great economic strength and possesses a sense that Japanese deserve world influence and status as a result of their economic success; moreover the very magnitude of economic success leads to a search for other, predominantly political, goals.

Japan's economy has grown so rapidly that its per capita income has already passed the Soviet Union's and its standard of living will soon be embarrassingly higher. She is already becoming the dominant economic power in Eastern Asia, and has already surpassed the United States as the primary trade partner of Southeast Asian countries other than Indochina. She is on the way to investment positions in Canada and Latin America so strong as to balance American economic influence by the 1980's.

The attitudes of major developed foreign powers (Russia, Europe, the United States) toward Japan will be determined in large part by economic competition and the fears and hurt pride of competitors who have been

roundly beaten in the economic competition. Japan is likely by the 1980s to feel that surpassing the United States in economic power and Asian political influence is a major long-term goal.

Despite Japan's objective strength and her sense of cultural superiority, Japan finds herself feeling isolated and insecure and this situation is likely to coexist for a long period with Japan's rising economic and political influence in Asia. Japan's remaining diminutive resources of such raw materials as copper, gold, zinc, mercury, lead and iron will soon be exhausted and their final exhaustion will symbolize for the Japanese the utter dependence on foreign sources of raw materials which has haunted Japanese policy throughout this century. Although relations with China and the Soviet Union have improved, the net impact of the last five years has been to increase Japanese insecurity because of deteriorating relations with the United States and with the Southeast Asian countries. The concomitance of domestic political discontent with the oil crisis, with Southeast Asian riots and with shocks from the United States has exacerbated both domestic and foreign policy problems. Japan finds herself dependent on the U.S. but feeling betrayed by the U.S., committed to growth but fearful of the domestic and international consequences of growth, determined to shape distinctive Japanese policies but fearful of the consequences of a strong stand on any particular issue, determined not to rearm but fearful of the possible fraying of the American umbrella.

Faced with these contradictory claims on her national policies, Japan has fallen into a pattern of what looks to American observers like over-reaction and excessive concessions that may damage Japanese interests in the long run. After President Nixon's trip to China, much of Japanese

opinion became convinced that the U.S. would force Taiwan into the arms of Peking and much of Japanese policy since then has seemed predicated on such an overinterpretation of American purposes. In negotiating with the PRC for an air link between Tokyo and Peking, Japan incurred substantial economic losses for no apparent gain except ephemeral, political good feeling. In the oil crisis of late 1973 and early 1974, Japan necessarily adopted a pro-Arab political stance, but also committed herself to development projects in the Middle East and in Siberia which might prove costly in the long run. Japan's loans to the U.S.S.R. for Siberian development were made on concessional terms. Portions of the Japanese public react nationalistically against such displays of weakness and the time could come when such backlash constitutes a major determinant of Japanese policy.

Japan's post-World War II growth seems even more meteoric and significant than the rise of Japan in the late nineteenth century. One is tempted today to compare this phenomenon with the rise of Prussia in 1870. Then, the rise of Prussia was a completely surprising event to the Europeans, but for the next one hundred years the history of Europe could be characterized as being dominated by the need for a European international system able to accommodate the newly powerful Prussia, and for a Prussia able and willing to come to terms with its European neighbors. The next fifty years or more of world history may well be dominated by the need for a worldwide system capable of adjustment to the rise of Japan. This is not meant to suggest a comparison of Japan with imperial Germany as a militaristic or aggressive state, although that is a

possibility. In fact, confrontation between China and Japan is possible but also avoidable.

The situation is a little like the confrontation between England and Germany during the 1870s and 1880s. By 1880 many Englishmen recognized that Germany's rise was rapid and momentous, and that a good chance existed that Germany would eventually dominate Europe. Most of these Englishmen nonetheless were not deeply concerned. They were willing to give up their 100-year old balance of power and policy in Europe on the grounds that Germany and England were friendly countries. very similar in background and outlook. Their aristocracies were inter-married and went to one another's schools. the King of England was of German descent; there was a certain real identity of values and views between the elites of the two countries. The English also felt that their strategic situation would not be untenable even if Germany's army were the most powerful in Europe. Germany would provide a very useful buffer against Russia, and the French would provide a useful buffer against Germany. Unfortunately, the Germans in their attempt to become the dominant power in Europe undertook to build a fleet which threatened the British rule of the seas. And the British then felt themselves forced to make up with their three hundred-year-old enemy, France, in order to counterbalance this naval threat. Today many historians have come to agree that Germany's decision amounted to virtually a frivolous mistake, and that as much as anything this mistake caused the catastrophies of World War I and World War II.

One can imagine evolution of a similar competition between Japan and China. Most outside observers have greatly overestimated the actual fear,

hostility, or apprehension that existed between these two countries, but as far as an outsider could tell, there was very little hostility towards China in Japan. Most Europeans and Americans simply did not understand this. Since they also tended to overestimate the aggressiveness, power, and dynamism of China, they assumed that the Japanese must fear this potentially aggressive and powerful state. Those who were aware of the enormous dynamism of the Japanese economy also tended to assume that the Chinese were equally aware of this, that the Chinese put the same emphasis on such factors as Gross National Product and technology as did Americans and Europeans. In fact, it seems much more likely that two or three years ago China's concern about Japan related almost entirely to the American presence in Japan. At the same time about the only scenario for war with China that the Japanese could write involved American bases and U.S. policies as the precipitating and perhaps major cause. That is, it was U.S. protection and U.S. "peacekeeping" itself which was regarded by the Japanese as making likely or possible a Sino-Japanese confrontation.

At least, until recently, Japan still saw China primarily in the pre-World War II image as a weak and backward country unsuccessful in economic development and subject to political excesses. Nonetheless relations with China are a delicate issue. Japanese remember their cultural borrowing from China and are conscious of China's propinquity and nuclear weapons. Disputes over China policy are intense because of their linkage to domestic ideological conflict and to Japan's lack of specific political identity and because many businessmen accept the fantasy of a huge economic market in China.



In the early 1970s the tendency of these two great Asian nations to underrate one another has begun to change. The Chinese seem more conscious than they have been in the recent past that Japan will become a great power in Asia--perhaps the greatest power. Periodically the Chinese have in the past tended to underestimate Japan's potential strength. They seem now just beginning to become fully aware of the fact that these small islands off their coast, with only one-eighth of China's population, possess more than twice China's Gross National Product, with an economy which is growing at about twice China's rate. While the Chinese have long emphasized the military importance of sheer masses of inspired and disciplined men, they now cannot help but realize that the advanced technology and enormous Gross National Product of Japan are likely eventually to produce for Japan significant military power--even if the Japanese do not build nuclear weapons, and certainly if they do choose to enter the ranks of the world's nuclear powers.

The Japanese on their side are becoming increasingly aware of the hostility of the Chinese towards Japan (and even apprehension often appears to the other side as hostility). In any case the Japanese are increasingly conscious of the increasing Chinese awareness of Japan as a potential threat. Most Japanese seem rather surprised at this. They know (or at least they believe they know) that Japan does not intend to build nuclear weapons. They also know that the Japanese have no aggressive intentions towards any nation. Sometimes in discussing this issue with Japanese one can explain the Chinese position by simply asking the Japanese to imagine themselves in Peking and then look at Japan from there. Not only does Japan have twice the GNP, growing at twice the

speed, but the Japanese are well-known for possessing a situational ethic.\* Such an ethic may suggest today, when Japan is weak and a "low posture" perfectly fits its foreign policy requirements and economic needs, the Japanese will commit themselves to this low posture as virtually a moral imperative. It also suggests that they may be equally likely to make a commitment to a quite different ethical and moral imperative if the economic, military, and political situations change. This should not be considered a matter of conscious deception or a sign of moral or ethical weakness--it is not, at least in the Japanese culture.

Japan's nuclear decision will have much to do with how the Chinese perceive Japan, and Japan's political and military intentions, during the next few years. There are additional factors of tension which can play an important role. First of all, there simply is a history of

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\*To give a dramatic example of the Japanese situational ethic, just recall the kind of incident which was common in World War II. Often a Japanese army unit would leave a soldier behind, perhaps in a desperate rear guard action, or perhaps because he was wounded. He would be given a grenade so that if he were captured he would pull the pin and kill both himself and his captors. Even badly wounded Japanese soldiers could usually be depended upon to perform this desperate act. If, however, it happened that this Japanese soldier were taken prisoner--generally by falling unconscious from wounds or being overpowered and disarmed--the next day the soldier would very often express a desire to join the Americans. It took the Americans many months before they realized that these requests were genuine. This man who had been perfectly willing to commit suicide for his country now was willing to get into an American reconnaissance plane and point out the fortifications, the ammunition dump, and so on, on his own side of the lines. Having been taken prisoner, this man regarded himself as in fact a dead man. Or better, the old slate was wiped clean and he was starting a brand new life. Given this enormous change in his situation, he now was free to join the Americans. His concept of obligations, values, ethics, and so on, changed with the situation, and this idea is very deep in Japanese culture. We should not be surprised if Japan's current, seemingly almost total, commitment to pacifism and anti-nuclear attitudes proves to be not at all as deep as it is normally taken to be.

Sino-Japanese conflict--of rivalry over Korea, and in recent times of Japanese intervention on the mainland. The status of Taiwan is an issue of political contention. Japan's relationship not only with the United States but with Russia will be important. Japanese economic relations with the U.S.S.R. have been growing and now include some cooperation in the development of Siberia. Close Japanese relations with the U.S.S.R. would mean to China that Japan was cooperating with both of China's major opponents in the world--the United States and Russia. Chinese propaganda has, in any event, long contended that Japan is America's "running dog" in Asia.

There will be economic-ideological conflict. Japan today is the most dramatic success of "capitalism" in the world. There is a vibrant development in the economies of states all along China's rim--in South Korea, Hong Kong, Taiwan, Singapore, Malaysia, and perhaps eventually, even in South Vietnam, Indonesia and Thailand. These nations all are likely to develop on capitalist terms, with Japanese industry and capital taking the crucial role. What will China's response be? It may fight these developments with political and subversive weapons. It might also ignore them, arguing to its own people and to the world that this kind of economic development is exploitative, corrupting to the people, a decadent phenomenon. China could offer itself as a model of austere but also egalitarian socialist development.

At another level of rivalry, China will certainly find itself overshadowed by Japan as a world power. In the 1960s China was widely discussed as potentially the third "superpower"--next to America and Russia the most important state in the world. Even today this is not



so. Everyone is coming to understand that Japan is Asia's true super-power, and that by at least the conventional indices of world power--excluding only gross population--China ranks well down on the list. In terms of total Gross National Product, China is at about the level of Italy, outranked by Canada. The Chinese may resent having the Japanese ranked above them in the eyes of the world. At the same time the Japanese well may resent China's old--and continuing--tendency to treat the Japanese as inferiors. In recent years trade delegations from Japan to China have been compelled to perform a kind of modern version of the kow-tow, issuing statements denouncing the policies of their own country in order to obtain trade agreements. Satisfying as this may have been to the Chinese authorities, it is impossible to believe that it has not created enormous repressed resentments within Japan. Even those young Japanese who condemn their own country's pro-American policies must have resented this tactic of the Chinese, and the humiliation of Japan that was involved. Many of these young Japanese, otherwise inclined to sympathize with China and its domestic policies and accomplishments, have also been repelled by the spectacle of the Cultural Revolution. There was much that went on during the Cultural Revolution which was profoundly upsetting to a person of Japanese (and Chinese) moral and cultural inheritance.

These factors of tension do not imply that conflict between the two countries is inevitable--only that it can easily happen, and that intelligent policies are needed on both sides to preserve the peace and to establish sound and fair relations between the two countries. The crucial points of tension will be Korea and Taiwan, where Japan is

certain to become increasingly committed economically, and may assume an enlarging political and even military role as the United States reduces its commitments under the Nixon Doctrine.

Yet in some real sense time is on the side of peace. The Japanese have no serious territorial claims or revisionist ambitions. If it is prosperity and prestige the Japanese want, they can easily get it without war or military interventions. Indeed, one can imagine Japan establishing a rather high degree of economic predominance in Pacific Asia through peaceful means--not through hegemony or dominance (at least as long as the United States, and to some degree the Western European powers, are present in Asia). They can enjoy a very high degree of political influence in Asia, and the world. The United States is probably willing to continue to play, at least to some reduced degree, a role as policeman in the Pacific--certainly against naked aggressions; if the Nixon Doctrine is likely to work anywhere in the world, Pacific Asia seems the area where it might work best. The United States will no doubt continue to be willing to give the Japanese a "free ride," but from the viewpoint of almost everybody concerned, this is a good free ride to give.

And as for China's future, as far as one can tell China has no real territorial ambitions anywhere in the area either, and while they have powerful ideological ambitions these are also matters of long-term expectations and strategies. To maintain a high degree of rhetorical hostility towards the capitalist world may be very important from the Chinese point of view, but this need not become translated into confrontations. Much depends upon how the Chinese leadership sees its goals. If it chooses the road of military pressures or political subversion, it will sooner

or later provoke a conflict with Japan--but not only with Japan. If it follows a course consistent with China's past (and in important respects, consistent with the thrust of the Cultural Revolution), preserving a certain national isolation, concerned with China's own progress as a "model" of revolutionary progress and national self-transformation, hostile to the materialism of modern consumer capitalism and preaching austerity and "virtue" to its own people, then its relations with Japan will have points of trouble and tension, and the level of rhetorical conflict may be high, but the actual relations between these two remarkable nations may be surprisingly peaceful.

Recently concern has developed in the United States and elsewhere that the Japanese-Chinese relationship might become excessively friendly. The rapidity with which Japan established diplomatic relations and formally cut her diplomatic relations with Taipei, and the Japanese willingness to sacrifice lucrative air routes to Taipei and use of Taiwan's air space in order to establish an air link with Peking that has only political value, have led some foreign observers to fear a Japanese move into a very close relationship with China. In addition, some observers note that many Japanese expect the China market to become a great market for Japanese goods, and also that Japan, with its severe labor shortage, could gain enormously from a Chinese decision to allow Japanese capital and China's enormous reservoir of labor to cooperate. However, the speed of the Japanese rapprochement with China resulted primarily from Japan's fear of losing part of her China market to the United States; from strong reaction among the Japanese political elite to the shock of the Nixon trip to China; from domestic political demand for strong and innovative Japanese



foreign policies in the wake of what appeared to be abandonment by the United States; and also from a belief that the trend of American policy indicated that America would force Taiwan into the hands of Peking. China's overall policy of self-reliance, her memories of previous exploitation by Japan, and her resentment of the foreign image of China as a source of cheap labor, will all combine to prevent economic reasons from pushing Japan and China into an excessively close embrace.

Although Japanese perception of possible difficulties with China is rising, the greatest Japanese security fears are focused on the Soviet Union. Whereas China has for most of recent history been a weak country that could not possibly threaten Japan, the Soviet Union put up a tough fight before being defeated by Japan in the Russo-Japanese War and was one of the victors in World War II. The Japanese share grim memories of the end of World War II when the Soviet Union declared war on Japan after the latter was already effectively defeated. Many Japanese soldiers disappeared into Siberia never to be seen again, and the Soviet Union took possession of portions of Sakhalin Island and the Kuriles which the Japanese continue to consider Japanese territory. The Soviet Union refuses to negotiate these territorial disputes from fear that concessions to Japan would lead to demands for concessions for other countries which lost territory to the Soviet Union in World War II. In the post-World War II period, memories of these disputes with the Soviet Union have been regularly jogged by Soviet naval activities and intrusions into Japanese air space. According to popular opinion polls, the Soviet Union has a quasi-permanent place as one of the countries the Japanese like least in the world.

Despite all this, American multipolar diplomacy has convinced the Japanese that they need to seek better relations with the Soviet Union, and the oil crisis of 1973-74 has magnified Japanese interest in development of potential oil and other resources in Siberia. As a result, the Japanese have committed themselves to a \$1 billion investment in Siberian oil development and have become more serious in discussing possible additional ventures in Siberian development. These joint ventures carry with them potentially great political consequences. If they become greatly expanded, then the Soviet Union obtains a sensitive point upon which to exert pressures on Japan. If the ventures are successful and come to involve large Japanese interests or large numbers of Japanese individuals, then the domestic forces within Japan pressing for better relations with the Soviet Union could expand rapidly. On the other hand, if the difficulties in dealing with the Russians and in exploiting the hostile environment of Siberia prove as formidable as some observers believe, then the Siberian venture could become a source of substantial friction and disillusionment among the Japanese.

The larger the Siberian project becomes, the more it becomes a crucial item in the security calculations of Korea and the People's Republic of China. To Chinese strategists, Siberian development necessarily poses an immediate and very rapidly expanding military threat to Manchuria, and China will have to counter such a threat unless relations with the Soviet Union improve dramatically in the meantime. China could respond either by becoming extremely hostile to Japan or by giving the Japanese some kind of parallel incentives to facilitate Manchurian development. Whatever their response to Japan, the Chinese might very well

attempt to use American political and economic power to balance the effects of Siberian development. This Chinese strategy could have very favorable strategic and economic consequences for the United States in its competition with the Soviet Union; but, if it created a source of friction with Japan and an increasing Japanese-Soviet vs. American-Chinese alignment, could be extremely damaging to the worldwide strategic posture of the United States. Japan will, for a long time, remain the key to the East Asian balance, and the United States will need to resist temptations to allow interests in China to overwhelm interests in Japan.

Korea and Taiwan are both perceived by Japanese students of international affairs as important. Korea is classically viewed as a gun pointed at Japan, because it is the classic route for invasion of Japan, and it is the site of previous wars with the Soviet Union and China. Japan dominates South Korea's trade, and has experienced increasing friction due to an excessively favorable balance of payments and South Korean resentment of Japanese intercourse with North Korea. Taiwan is strategically important to Japan, but the Government of the Republic of China (GRC) fears Japanese influence over the native Taiwanese population, other Asian countries remember Taiwan as a jumping off point for Japanese invasions, and the Japanese have backed away from guaranteeing the defense of Taiwan. Taiwan is also economically important to Japan, and Taiwan's trade with Japan is somewhat greater than the PRC's trade with Japan. Japan was tied to Taiwan by a World War II peace treaty and by gratitude for personal reasons and for the absence of reparation demands in the wake of World War II. Despite all this, in 1972-73 Japanese politicians and businessmen expressed increasing willingness to

trade friendship with GRC for friendship with the PRC. Japanese investment in Taiwan leveled off dramatically in 1972, and Japan replaced her diplomatic ties to Taiwan with ties in Peking. Likewise, Japanese almost universally believed the U.S. was pushing Taiwan into political reunion with the PRC, and they therefore believed such a reunion to be inevitable;\* believing this, they have severed relations with the GRC and undertaken other actions which have annoyed U.S. policymakers seeking to maintain Taiwan's independence. But Japanese investment rose to roughly its earlier levels in 1973, and the 1974 Japan-PRC airline agreement stimulated sufficient dissension in Japan that probably no LDP government can afford to do a great deal more damage to Taiwan's interests in the short term.

In Southeast Asia, Japan is likely to exert such powerful economic influence that her trading partners come to feel excessively dependent upon her. Southeast Asian resentment of Japan, dating from World War II, remains active. Threats to Japan's raw materials or to her naval rights in the Malacca Strait could evoke a major naval program. In order to avoid such frictions and resentments, Japan might very well seek to promote an Asian sense of common identity and an economic co-prosperity sphere, whose primary purpose would be political preemption of resentments rather than the economic benefits of a common market. On the other hand, balanced economic competition with the U.S. may mitigate small countries' resentment of both the U.S. and Japan.

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\*This is based on early 1973 interviews. The attitudes began to change somewhat by late 1973 on the basis of increased knowledge 2nd reconsideration of Japanese interests and reconsideration of Japanese interests.

Japan will probably rearm to an important extent in the 1970s and 1980s. The key questions involve the pace and character of this rearmament. Because of the rapid growth of the Japanese economy, the Japanese military establishment will grow rapidly even if the defense budget is held constant as a proportion of GNP. By the late 1980s Japan could have a trillion dollar GNP, so even with defense budgets held to two percent of GNP she would be spending \$20 billion per year on defense.

Japanese defense budgets have been held down both by the widespread post-World War II anti-militarism of Japanese society and by a quite rational calculation that Japanese security and economic growth could best be maximized by dependence on the United States and by an international posture which threatens nobody militarily. But anti-militarism and the so-called nuclear allergy are eroding, and various trends are undermining the argument that Japanese goals can best be achieved by minimizing the defense budget.\* Japanese perceive the reliability of the American deterrent to be decreasing because of increasing American friction with Japan, decreasing American military power in the Western Pacific, lower American morale, and the likelihood of a Chinese ICBM. The American relationship with Japan is perceived as a useful bargaining counter with the Soviet Union and China, but at the same time Japanese economic success has brought Japan to the point where it desires political equality with the United States, greater leverage over American policies in Asia, and a relative reduction of American influence in Asia. Among

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\*The September 1973 court decision that Japan's Self-Defense Forces are illegal could turn into a major political problem, but could also prove easily reversible. Cf. Masaru Ogawa, "SDF and Constitution," Japan Times Weekly, 15 September 1973.

young Japanese there has arisen an emotional nationalism which demands an assertive Japanese political role and a partially anti-American political stance. In addition to these basically political trends, some Japanese increasingly argue the value of technological spin-offs of military research and of the utility to the economy of the defense industry; as the military sector of industry increases in size special military-industrial interests will also gain increased political clout.

It has been widely believed in the world at large, and far more important within Japan itself, that the Japanese people have an intense, deep-seated, animosity toward nuclear weapons, even a "nuclear allergy" because of their experience at Hiroshima and Nagasaki. It is probable that this "allergy" is more complex and subtle than is usually understood, even by most Japanese. Although genuine nuclear pacifism and international idealism are unquestionably involved, much of the emotion and activity usually thought to demonstrate anti-nuclear sentiment in Japan often is also concerned with such matters as anti-militarism (in particular, nobody in Japan wants to return to the prewar conditions of the Japanese officer corps and "government by assassination"), some degree of anti-Americanism, a certain amount of political partisanship directed against the Liberal Democratic Party, an almost inevitable by-product of the "low posture" foreign policy and internal economic expansion, etc. Also, one of the most important reasons the Japanese "nuclear allergy" persists is simply a basic and widespread belief that there is no pressing need, in terms of Japanese security or other current and imperative national interests, for obtaining weapons at the moment.



Today all these factors inhibiting Japan from nuclear status seem to be eroding. For example, by 1963 much of the animosity against the "illegal" Self Defense Forces had dissipated; in 1964 there was a certain revival of war songs and of revisionist theories of the war, and, in general, romantic attitudes about the war began (and continue) to replace the previously total rejection of war or militarism. By 1965 it was possible for visitors to discuss most issues of national security with most Japanese in a relatively unemotional way. By 1966 Japanese were willing to discuss nuclear issues in the same unemotional and objective way. By 1967 there was a somewhat surprising depth of animosity generated in Japan against the nonproliferation treaty negotiations. Not only was the depth and pervasiveness of the emotional reaction surprising to many in the West, but probably it was surprising to many Japanese. Since then there has been an increasing tendency for the formation of serious study groups on nuclear issues--even study groups combining participants from both the Right and the Left. This last point is an important one; both the Left and the Right may wish to have "temporary" nuclear rearmament. The Left may wish to be independent of the United States, and the Right may strive for national prestige, power and independence.

It is worth noting that in informal polls of Japanese graduate students, even in university departments that were very anti-militaristic and Leftist, the overwhelming majority felt that Japan would acquire nuclear weapons within five, ten, or at most fifteen years. Most felt that such nuclear armament, if it were to take place at all, would occur after West Germany or India had created a precedent. That would make Japan nuclear power number 7 or 8--which somehow does not seem an act that

would "rock the nuclear boat" excessively. But anti-nuclear sentiments are still strong enough, despite the Indian nuclear explosion, that it seems likely that if Japanese nuclear rearmement comes, it is more likely in the 1980s than in the 1970s.

It should be realized that if Japan does get nuclear weapons in the 1970s, and in particular if it procures them in a relatively "irresponsible manner" so that further nuclear proliferation is touched off, enormous animosity will be created in much of the rest of the world and especially in Asia. For one thing, there will be general accusation of trickery and hypocrisy. The Japanese have advertised their peacefulness--and their nuclear allergy--so extensively and so intensely that most people simply cannot now believe that the issue is really either as complex or as subtle as has been indicated or that, despite superficial appearance, a rapid change in Japan's nuclear policy is indeed possible. Having overestimated the depth, pervasiveness, intensity, and permanence of the nuclear "allergy," people will overestimate the seeming trickery and hypocrisy involved in policy reversal. China, in particular, would be affected.

It makes sense for the Japanese to go through the 70's without nuclear weapons--thus sparing themselves a certain amount of expense and a great deal of trouble. This would in many ways be a more momentous decision for the Japanese than the world realizes; still, they may judge it the least costly policy--in terms of an overall assessment of the various risks, national security issues, prestige and economic considerations, and other matters. This may even be true if the Japanese intend to attain full great power status in the 80s--including nuclear armament. Premature

moves in that direction may retard the attainment of that goal and raise grave risks and other costs.

Some Americans have attempted to push the pace of Japanese rearmament out of the desire to have the Japanese take over some of the defense role which America has been trying to abandon partially under the aegis of the Nixon Doctrine. However, the Japanese react to such American pressures with anger and with the sharp and credible reminder that even if Japan does rearm she will not pick up American chips in Southeast Asia. From an American viewpoint, Japanese rearmament is not necessarily advantageous, even though such rearmament might lead to a slight, temporary reduction in American defense costs. Rather, Japanese rearmament is likely only in a context where the Japanese feel extremely isolated and betrayed by their allies. In such a context rearmament is likely to take on anti-American overtones. Moreover, rapid Japanese rearmament would greatly stimulate Chinese and Russian fears and could thereby provoke a worldwide arms race exacerbated by severe tensions in Korea, in the vicinity of the Senkaku Islands, in the Kuriles, and along the continental shelf of Asia. In other words, such rearmament might transform the international environment in which the United States operates from a relatively benign and even arms control-oriented environment to a rather tense and hostile environment.

2. Soviet Union.<sup>\*</sup> In some ways the U.S.S.R. is the country with the most complex situation, and the most puzzling options, pressures and problems. Internally, it seems to face a serious crisis of ideological

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<sup>\*</sup>The following four paragraphs are from The North Pacific Power Triangle, HI-1605-RR, 17 October 1972, v-vii. For further details, etc., see the U.S.S.R. chapter of that report. For an analysis of the Soviet Union's promotion of an Asian Security System, cf. Chapter IV of Appendix Two.

and organizational obsolescence. Rather than catching up with the West it is losing much, but not all, of the technological competition and not doing extraordinarily well in economic growth--particularly in an economic competition with the Japanese which is increasingly important for ideological reasons. (They did not have the October revolution to be third.) On the other hand the U.S.S.R. now has the largest strategic forces in the world in terms of numbers and size of missiles and (depending on how one does the evaluation or on what issues one emphasizes) one can argue that at a minimum it has obtained a new level of relative equality with the United States, or even a kind of superiority. One effect of the SALT agreements is a likely enhancement, politically, of the apparent superiority (from some points of view) of Soviet strategic forces, and a further weakening of belief in U.S. nuclear guarantees and in U.S. strategic dominance generally.

Further, recent discoveries of oil and gas in Siberia and increasing world need for many of the resources that Siberia can supply have given the Soviets an enormous potential asset. (Siberia may have more natural resources available eventually than Australia and Canada put together, but they are difficult to extract, difficult to transport, and in some cases may exist in more modest quantities than Soviet advertising suggests.) The Soviets seem, at least tentatively, to have decided to develop Siberia, not according to the needs of European Russia or its own regional defense, but as an important commercial and economic asset which can produce foreign exchange by selling its products to the world. (However, it is far from clear whether the Soviets will be able to carry out this decision in view of the many obstacles, physical and social, that it



faces.) In particular the Soviets clearly seem anxious to use American and Japanese capital, technology and management, probably often in some kind of flexible joint venture and consortium-type arrangements. However, all three, but particularly the Russians and the Japanese, fear dependence on each other, and there are many other ideological and prestige issues which may get in the way of very close cooperation. In addition the Soviets are faced with a number of contradictions to greater Russian-Japanese cooperation, such as the difficulty in achieving a satisfactory World War II peace treaty, Russian embarrassment at Japanese economic success, and various other considerations mainly involving prestige, ideology, and the characteristics of the social bureaucracy.

Despite the great improvement in the Soviet military position, their world position has (with important exceptions) deteriorated since Stalin's death because of such factors as Japanese and West European stability and wealth, the rise of a hostile China, their lack of continued progress in the Third World, and the growing alienation of various new and old Left movements (both inside and out of the bloc) from Soviet leadership.

Russia's primary interests in the Northeast Asia region presumably consist of avoiding unfavorable coalitions, diminishing American influence without letting it become replaced by excessively dynamic Japanese or Chinese influence, maintaining or asserting leadership and status in the world Communist movement, developing Siberia and the Maritime Provinces and, of course, avoiding war.

Contemporary Soviet foreign policy is characterized in part by increasing Soviet naval power and political initiatives in Asia, because of her conflicts with China, her attempts to outflank China and the United States

in India, Southeast Asia and elsewhere, the rise of Japan, and the relative weakening of American influence. In order to further weaken American influence in Asia, the U.S.S.R. is engaged in a major effort to construct a network of Asian alliances which she groups under the title of an Asian Security System.\* This trend of increasing initiatives could be interrupted by prolonged and serious conflict in the Middle East, by difficulties in maintaining hegemony in Eastern Europe, by cooperation between China and Western Europe, or by internal difficulties. By the 1980s the Soviet Union could be seriously overextended, even more seriously relative to its resources than was the United States in the late 1960s. Her economy is likely to grow much more slowly than Japan's and not much faster than America's. The areas of Soviet Asia from which the Soviet Union confronts China and Japan are underpopulated and the northern tier of a second railway system through Siberia is not due for completion until 1980. The pressure of conflicts with China may be sustained and the temptation to invite huge amounts of Japanese capital into the area will be strong. Japan may very well object to activities of the Soviet Indian Ocean Fleet which appears intended for political influence on the South Asian area but could also threaten Japan's oil supply lines. This fleet, together with Japanese dependence on Middle Eastern and (by the 1980's) possibly Siberian oil, give the U.S.S.R. a strong strategic position relative to Japan. That position is reinforced by reductions in American presence and by the possibility of Soviet influence in Taiwan.

Confronted with a strong Japanese-American alliance, the U.S.S.R. might seek to improve relations with China by ceding some territory,

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\*See the appendix by Alex Ghebhardt. American analysts have generally underestimated the seriousness of this Soviet effort.



withdrawing some armies, reducing the level of ideological polemics and providing some economic aid. The U.S.S.R. could be forced into such a policy by fear of Japan and by Chinese acceptance of large amounts of Japanese capital and influence in Northern China. A weaker alternative would be a Soviet alliance with Taiwan in the event that the United States withdraws from its alliance with Taiwan and Mainland China refuses to accept a bargain with the Soviet Union. Such a base in Taiwan would leave China feeling completely surrounded by Soviet power and would provide a naval base for influence directed at Japan and at Southern Asia. In this regard, one should note Chiang Ching-Kuo's\* extensive ties to the U.S.S.R. But for the present such ties seem very unlikely. If the rapid erosion of U.S.-Japanese ties which began in the early 1970s should accelerate, then Japanese-Soviet collaboration in development of Siberia could become the basis for expansion of cooperation and sympathy into other areas, or to Japanese concessions on naval, political and economic issues which would damage American or Chinese interests.

1985 may very well see the Soviet Union at the height of its world influence--with numerous friendship treaties, great navies, and substantial influence over the domestic politics and economies of Asia. But--particularly if Japan retains a relatively peaceful image and if the American profile becomes substantially lowered in the interim--the U.S.S.R. may come by the 1980's to be perceived by Asians as a far greater threat than

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\*Chiang Ching-Kuo is the son, and heir apparent, of Chiang Kai-shek. On his ties with the U.S.S.R., cf. G.F. Hudson, "Taiwan's Radical Alternative," The New Leader, 20 September 1971. As a result of discussions in both Taiwan and the U.S.S.R., this alternative is currently a dead letter, and it would be revived only under rather improbable circumstances.

at present to the independence of Asian nations, as the last of the traditional imperialists. Small-power resentment and big power competition, possibly combined with domestic political ferment, could then prepare the way for a recession of Soviet power far more dramatic than the comparable American experience of the early 1970's. Soviet attempts to retain an imperial position might very well be more prolonged than were American attempts (because Soviet policy is less responsive to public opinion) and more disastrous for the U.S.S.R. and for world peace.

3. People's Republic of China. Communist China is a vast, diverse unwieldy country which has in the past achieved long periods of stability at relatively low levels of central control. Such low levels of central control are inadequate to the demands of contemporary international politics but Chiang Kai-shek and especially Mao Tse-tung have achieved higher levels of control through the modern social technology of a one-party state. China's acceptance as a great power in the 1950's and 1960's was based on an illusion resulting from China's rhetoric and from the fallacy that her population was an asset, but also from the reality of an amazing degree of party control over such a vast peasant society.

The unity of the Chinese Communist Party did not come easily. It was not present in the beginning and it was purchased at the cost of enduring the Long March, the war with Japan, and the Civil War against forces greatly superior in numbers and in military equipment. Once achieved, unity endured long past the point at which a comparative historian would have expected the revolution to destroy its creators, and the Chinese Party was known for its ability to follow divisive conflict with unified

action and to heal the wounds of purges by rehabilitation. But the demotion of Mao in 1958 divided the charisma of the party from its institutionalized organization, and the counterattack by Mao in the Great Proletarian Cultural Revolution seriously weakened the party and moved the center of power from the party toward the army and from the center toward the periphery. The struggle for succession to Mao has already caused the fall of Mao's constitutionally designated successor, Lin Biao. China has since restored substantial political unity and centralization, but may never restore completely the pre-Cultural Revolution levels of centralization and civilian control.

But one must not overestimate the long-term effects of Cultural Revolution and other disruption. Restoration of unity and restoration of civilian control over military and economic affairs have proceeded with surprising rapidity. Because communist parties eliminate all domestic opposition, they can carry on very intense intra-party struggle without fear of losing control of their country. Nothing that has occurred in China approaches the severity of Stalinist oppression of the peasantry or Stalin's devastation of his own political party. And the basic unity of the Chinese Communist Party has historically been superior to that of its Soviet counterpart. So cultural revolution-type upheavals do not necessarily threaten China's political system. The renewed "cultural revolution" of 1973-74 so far seems less disruptive and more controlled than its predecessor, although unexpected struggle or the deaths of Mao and Chou at an inappropriate moment could greatly magnify its impact.

Likewise the death of Mao has often been overestimated as a precipitant of possible strife. Effective transfer of day-to-day authority from

Mao to Chou En-lai seemed to have occurred by 1973, and Chou's highly institutionalized operations have great momentum of their own even when he is ill or absent. The latest Party Congress has established what appears to be a collegial system for rule following Mao's death; such collegial rule implies a power struggle, but not necessarily a power struggle any more momentous than the Khrushchev-Bulganin or Brezhnev-Kosygin competition. Barring the unlikely but not impossible alternative of China's fragmentation, the era of revolution and social upheaval will likely end within a few years of Mao's death and an era of consolidation, institutionalization and growth will begin--as it has in other successful revolutions.

China is likely to experience relatively strong, long-term trends toward decentralization of political power and institutionalization of her political processes. Decentralization will be encouraged by the strains existing within the army and the party and between the army and the party. The deaths of Mao and Chou En-lai will leave China without central leaders of national stature and with few men of broad experience. The problems of Chinese society are becoming too complex, and the society too diverse, for extreme centralization to be maintained over the long term. The populace is tired of mass campaigns which implement central power against the wishes of regional, provincial and local power concentrations, and the People's Republic of China is therefore increasingly less capable of dismantling what Mao calls the "independent kingdoms" which invariably have arisen in past Chinese dynasties and which have tended to grow extremely rapidly in the People's Republic except when mass campaigns are directed against them. However, decentralization as used here does not imply loss by the center of the ability to implement

basic social, economic and political policies in the foreseeable future, and decentralization as used here could make it possible for central leaders to deal more effectively with the problems which the center does confront because less pressing problems will have been delegated to lower levels.

Like decentralization, institutionalization of the political process has characterized all previous Chinese dynasties and all other great social revolutions after an initial period of upheaval. Great issues like land reform get resolved and the motivational basis of mass support for upheaval erodes. The simple issues also get resolved and the crucial needs of society come to consist of coping with complex technical problems; this trend is even stronger in contemporary China than in past dynasties because of the complexity of modern, differentiated society. In order to cope with technical complexity and social differentiation the regime requires rapprochement with professionals and other experts. Economic growth requires predictability and continuity. The revolutionary party which is the basic tool of social upheaval becomes diluted by opportunists. Social groups whose basic grievances have been solved move from being the revolutionaries of the old society to being the conservatives of the new, as can be seen from the opposition of many peasants, workers, intellectuals, and bureaucrats to Maoist policies during the Cultural Revolution.

There are countervailing pressures to the trends toward decentralization and institutionalization. Decentralization risks factionalism and fragmentation, and institutionalization implies bureaucratization and loss of revolutionary idealism and enthusiasm. Mao has clearly perceived the risks and has fought a valiant battle to maintain a revolutionary mentality.



But the risks of trying to maintain a revolutionary mentality in a non-revolutionary social context are perhaps even more severe and most Chinese leaders seem to recognize this.

China faces dangers both from extreme factionalism and from extreme bureaucratization. Stability implies some balance among these extremes, and a surprise-free projection would be that China will attain such a balance. The extreme upheavals of the past were based upon strong social strains. The land reform campaign tapped landlord-peasant antagonisms, and settled those antagonisms for many generations. The Three and Five Anti-campaigns tapped antagonisms resulting from political corruption and employer-employee relations, and defused those issues. The Great Leap Forward tapped millennial peasant enthusiasm for radical change and instant economic modernization, and the disappointments of that campaign greatly reduced radical peasant enthusiasm. The Cultural Revolution was much more narrowly based on the discontents of old revolutionaries against bureaucratization and technocracy, and the universal radicalism of youth, although it also came to involve key disputes over foreign policy, military policy, and a congeries of domestic issues. The Cultural Revolution faced opposition from most intellectuals, most of the Communist Party, most bureaucrats, and the vast majority of peasants and workers. To the extent that the Cultural Revolution was successful it depended heavily upon the personal charisma of Mao and upon the coincidence that in 1965 the regime faced parallel splits on foreign policy, domestic economics, Vietnam policy, military policy, educational policy, and personal allegiance (to Liu or Mao). Mao's charisma is irreplaceable, and the lining up of parallel cleavages in so many areas of political life is not likely to recur.



This does not mean that China will be free from mass campaigns. Indeed mass campaigns are an essential tool of social reform in a country like China, and party purges are essential to continued party unity. Thus absence of such campaigns and purges would be a sign of incurable weakness in China--as Party leaders recognize. But the campaigns of the future will not likely have the scale and impact of previous campaigns.

Over the past two decades China has paid a high price for economic policies designed to ensure her autonomy from foreign economic manipulation and for her willingness to sacrifice economic growth in favor of political purity and broad distribution of industry throughout China. All great social revolutions pay such a price in the short run, but often short-run dislocation leads to long-run growth. In the late 1950's the Chinese economy was severely damaged by the Great Leap Forward and in the late 1960's it was again severely damaged by the Cultural Revolution, but China's experience from 1952 to 1957 and her recent occasional attainment of high GNP growth rates indicate that she possesses the capacity for rapid growth if she emphasizes growth. China's success in creating national unity and military strength imply that she no longer need worry so greatly about foreign economic dependence. Communist Party successes in redistributing income and in imposing many of its most important political principles on the society indicate that political problems may no longer constitute such a strong brake on economic development as in the past. In the future one can anticipate fewer ideological excesses and the political decline of the extreme Left; thus the prospects for growth are increasingly auspicious.

Many aspects of the ideological struggle in the past and in the present may have contributed to the possibility of sustained long-run

economic growth although they imposed severe short-run costs. Maoist analyses of problems, however primitive from a Western viewpoint, have provided the Chinese people with models of rational analysis of problems and with a progressive rather than cyclical view of the world. Both of these are important to changing old ideas which tend to stagnate economic growth. One can chuckle at the extremes to which the Maoist press goes in arguing that Maoist analysis has assisted in raising chicken output and in solving minor engineering problems, but the basically rational and progressive nature of Maoist thought is an extraordinarily important contribution to China's modernization. Moreover ideological struggle may have broken up local village and family attitudes which impeded economic progress, and may have served, albeit sometimes at excessive cost, to keep the Chinese bureaucracy from becoming excessively rigid at an early date.

A key problem for the economy has been whether to emphasize investment in an intellectual elite or to emphasize investment in bringing the masses out of their traditional stagnation and into the modern world. This is a serious question and the Chinese are treating it in a serious way. They have chosen "mass line" educational policies on the basis of serious analysis and not merely as an ideological frivolity. But it is difficult at this time to reach any conclusions about the likely consequences of the emphasis on the mass line in education. Western analyses have tended to emphasize--correctly--that these policies have inhibited the formation of a modern, creative, scientific elite and the scientific progress which such an elite could provide. On the other hand, it may be more important at this phase in Chinese development to have the great masses of the Chinese population thinking in relatively modern fashion than to create a

tiny scientific elite at the cost of having nearly 800 million people living in a basically pre-rational, pre-progressive culture. Societies like Thailand have gone to the other extreme in emphasizing an intellectual elite at the cost of mass education, and the political consequences of drastic separation of the urban elite from the masses of the people have been very serious. Equally serious have been the consequences for the economic growth rate of having most of the population living in a pre-modern culture. The Maoist mass line alleviates these problems--at high costs which could prove excessive. Conceivably, these costs will be reduced by informal training in research institutes and elsewhere.

Mao's emphasis on forcing those with advanced education to engage regularly in quite practical work attacks a serious problem of developing and even highly developed contemporary societies. Intellectual life tends to acquire a momentum of its own and to become radically divorced from the real problems of society, a luxury which China cannot afford.

The problems inherent in the choice between mass and elite educational policies are greatly aggravated in a country the size of China. In Singapore or even Korea the small size of the country assures that virtually the whole population will be exposed to modern ideas and modern technology regardless of the state's choice of educational policies. In China, on the other hand, exposure to modernity has tended in the past to be limited to coastal cities. These limitations have created such severe economic, political and cultural gaps between the coastal areas and the interior that Chinese society has been severely disrupted. Here as in the other areas one can see that Mao's policies are attacking very real problems, but it is not possible to predict whether those policies will, half

a century from now, be judged to have been effective in solving the problems or not.

The Chinese economy will almost certainly continue to focus on light industry as opposed to heavy industry, and on local initiative as opposed to central control. Agriculture is generally recognized as a key to foreign exchange problems and to the capital accumulation necessary for industrialization. Huge rural infrastructure investments have moderated the consequences of bad weather and other natural disasters. But since industrialization must be financed primarily from peasant savings, agricultural standards of living have been very low and political tensions have resulted. These political tensions were greatly exacerbated by the Cultural Revolution, which brought rural people to the cities and therefore raised the visibility of the gaps between rural and urban living standards. Such tensions will undoubtedly remain but the regime has been working hard to keep the gap in living standards under control and to move toward incentive systems which will be more satisfactory to people in the rural agricultural sector. Although tensions in this area will necessarily remain chronic, there is no reason to believe that they need get out of control to the extent of causing serious political instability or inability of the regime to extract capital from agriculture.

A central paradox of the economy has been severe recent grain shortages despite the competence of the peasants, the general goodwill of the peasants for the government, and extremely high inputs into agriculture and agricultural organization. The Chinese regime came to power on the basis of peasant support and, despite occasional fairly serious tensions, has never had the kinds of conflicts with the peasantry that Stalinist

Russia had; therefore there is a reservoir of political good will among Chinese peasants that does not exist in the Soviet Union. Also the government has recently put very high emphasis on provision of fertilizer and other necessary assets to agriculture. Recent shortages appear to have resulted from a combination of bad weather, emphasis on private gardens rather than public agriculture, peasant unwillingness to sell things to the state after having seen the superior living standards of the cities, and, finally, the generally higher living standards throughout China.\*

In foreign policy, China's most basic principle is the principle of self-reliance.\*\* This policy precludes becoming dependent upon other countries for aid, trade, investment, or military or political support. This policy derives from China's traditional self-sufficiency and also from the fears and humiliation China experienced over a century, beginning with the Opium Wars and ending with the sudden withdrawal of Russian technicians and aid in the late 1950s. All of these factors are being slowly modified. Modern technology, communications, trade, and ideology erode traditional self-sufficiency. Political stabilization, economic growth, and the rise of a new generation of Chinese leaders will alter the weakness and fear and sense of humiliation which form the other base of support for this policy. Recession of American bases from Eastern Asia and

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\*For recent surveys of the Chinese economy, cf. the articles by Audrey Donnithorne, Thomas Rawski, and Alexander Eckstein in China Quarterly, Numbers 52, 53 and 54 respectively. Cf. also Leo Goodstadt, China's Search for Plenty (New York: Weatherhill, 1973).

\*\*For a stimulating, broad overview of Chinese self-reliance policies, cf. M.C. Oksenberg, "Mao's Foreign Policy of Self-Reliance," paper presented to First Sino-American Conference on Mainland China, Institute of International Relations, Republic of China, December 1970.

stabilization of power relationships in Southeast Asia would further attenuate the bases of support for the policy of self-reliance, but continued Southeast Asian strife and the rising power of Japan could exercise a countervailing influence. Major alteration of the policy of self-reliance would, however, constitute a decision of such magnitude that it could probably be precipitated only by a severe crisis--much as Vietnam precipitated the Nixon Doctrine. Moreover, the low costs of the policy of self-reliance will continue to be attractive. In this regard, it may be useful to note that the foreign policy of self-reliance is essentially a mirror image of the Nixon Doctrine. It emphasizes honoring commitments, but relying primarily on local initiatives; it differs from the Nixon Doctrine only in its inability and perhaps unwillingness to offer the kind of nuclear guarantee proffered by the Nixon Doctrine.

A second major Chinese foreign policy, or congeries of foreign policies, is the current variant of the "united front" policy. United front policies originated in the pre-1949 struggle for hegemony within China. The Chinese Communists were at that time ideologically hostile to the government and to all other political groups within China. Because they could not struggle against all other groups simultaneously, they chose a single principal opponent and then attempted to isolate that principal opponent by forming temporary coalitions with the other political groups. Once the principal opponent was defeated another principal opponent was chosen and the process repeated itself. Like many other successful policies from the period of internal Chinese warfare, this united front policy has been projected by the Chinese Communist Party into the external realm.



Contemporary China has been hostile to all of the large powers in its vicinity, including particularly the United States, the U.S.S.R., Japan and India, and also to some of the smaller powers in Pacific Asia. During periods of ideological extremism such as the Great Leap Forward and the Great Proletarian Cultural Revolution such hostility has led to isolation of China, but such periods must be seen as aberrations during which a balanced United Front policy was temporarily abandoned. Until recently, the United States was the primary opponent because of the Communist Party's memory of U.S. support for Chiang Kai-shek, because of memories of the Korean War, because of ideology, because of America's association in the memory of all Chinese with the humiliation of China by Western powers, and because of a very real Chinese fear of American encirclement and American invasion. More recently, fear of the United States has declined and the Soviet Union has become identified as the primary opponent, because of China's fear for her borders, fear of encirclement by the Soviet Union and its allies, mutual racial fears, ideological conflict, the damage done to China's economy by the sudden withdrawal of Russian aid a decade ago, and Mao's personal hatred.

Most of China's conflicts with the Soviet Union are likely to be permanent, but such permanence does not rule out the possibility of eventual return to a united front policy in which the Soviet Union is not the principal opponent. The question of whether the U.S. or the U.S.S.R. is the principal opponent appears to have been a point of intense struggle within the leadership of the Communist Party of China and the continuing point of disunity within that party. Mao Tse-tung has been the principal exponent of the view that the Soviet Union is the primary opponent and

his view has prevailed for the time being, but Mao will not live forever and it is difficult to discern the balance of views which will hold once Mao is gone. While the Sino-Soviet split appears to have become deeper and more permanent there are also signs that it has become institutionalized and less volatile. The two countries have engaged in continuous dialogue since September 1969 at the Deputy Foreign Minister level. Ambassadors have returned to their posts. Both sides have expressed desire for improved relations. Over a recent three-year period there was a six-fold increase in trade (but overall Chinese trade increased by a larger factor in the same period). Thus one must not dismiss the possibility of some thawing of Sino-Soviet relations. Reduced perception of threat on both sides and the passing of the leadership generations which ruled during the Korean War, appear to be reducing systematically the likelihood that the U.S. will return to the position of primary opponent, but one can easily construct many scenarios in which either Japan or the United States would become the primary opponent.

In addition to temporary alignments with India, Japan and the United States, which serve to keep the Soviet Union off balance, China seeks a more permanent coalition with the small and less developed powers of the world on the basis of anti-imperialism or opposition to superpowers. Such a stance can bring China generalized sympathy from many small powers and some concrete support on big, easy issues such as territorial waters claims, but such an overarching policy is hardly an adequate guide for the nuts and bolts issues of day-to-day diplomacy and of bargaining in the United Nations. So far, China has avoided dealing with many of the smaller issues and has been content to remain silent in United Nations

committees, but such silence is necessarily embarrassing and the need for policies on these small, nonideological issues will eventually exercise a profound influence on the Chinese foreign policy making system. This need will lead to conflicts between Chinese responsible for dealing immediately with foreign countries and those whose relationships with other countries are indirect, as well as between those who wish to emphasize pragmatic bargaining and those who wish to emphasize heavily ideological foreign policies. Such conflicts can never be resolved completely, but they will exert continuing pressure for institutionalization of the Chinese foreign policy making system and for China to become integrated into the established system of diplomatic relationships. Such institutionalization and integration will gradually modify the tendency of Chinese foreign policy to fluctuate wildly in accordance with the fluctuation of domestic power relationships within China.

A crucial issue in China's dealings with the world's smaller powers is whether China should follow a policy of united front from above, or on the contrary a policy of united front from below. A united front from above would consist of a coalition with the governments of the smaller countries whereas a united front from below would consist of a coalition with insurgent groups in the smaller countries. Chinese policy on this question has vacillated over time. In times of intense ideological stress at home, China tends to put more stress on the united front from below. Such policies have on occasion contributed to the isolation of China, as in the case of the Cultural Revolution, and they have also on occasion led to serious diplomatic losses without corresponding benefits, as in

the case of Chou En-lai's famous trip to Africa when he publicly emphasized the need for revolution and his African hosts responded rather vehemently that their revolutions had already occurred. Currently, China seems to be emphasizing united fronts from above, except in the cases of governments which are hostile to China and close to China's own borders. China seeks nonhostile regimes in Southeast Asia, but does not make communist transformation or absolute adherence of Southeast Asian countries to Chinese foreign policy her paramount goal. Neutralist, non-communist governments which deviate from Peking's policies on some issues are candidates for Peking's friendship; Burma and Sihanouk's Cambodia have provided examples. Support for insurgents by Peking seems to follow primarily from governmental hostility to Peking, as in the case of Chinese support for the Communist Party of Thailand which increased as U.S. use of Thai bases in its Vietnam operations increased.\*

Where China does follow a policy of united front from below, it follows a Chinese version of the Nixon Doctrine, emphasizing China's willingness to supply aid but unwillingness to involve itself directly in revolutionary struggle. Although Lin Piao has fallen from power, the following quotation from his book, Long Live the Victory of the People's War! remains the best statement of Chinese policy in this respect:

"If one does not operate by one's own efforts, does not independently ponder and solve the problems of the revolution in one's own country and does not rely on the strength of the masses, but leans wholly on foreign aid--

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\*For further details cf. Melvin Gurtov, China and Southeast Asia--The Politics of Survival (Lexington, Mass., D.C. Heath & Co., 1971). Cf. also Franklin W. Houn, "The Principles and Operational Code of Communist China's International Conduct," Journal of Asian Studies, XXVII, 1 (November 1967) for a general discussion of PRC foreign policy principles.

even though this be aid from socialist countries which persist in revolution [i.e., China]--no victory can be won, or be consolidated even if it is won."

A third major aspect of Chinese foreign policy is what may be called the search for legitimacy. China has been a maverick in the international system partly out of choice resulting from her revolutionary ideology, but also in large part because she has been deliberately excluded by others from full participation in international commerce, diplomacy, and international institutions such as the United Nations. Despite occasional expressions of the sour grape variety, the Communist Party of China has long wished for broad international recognition as the exclusive and legitimate rulers of a modern nation-state. Recently, China has achieved a number of her most important goals in this regard, including United Nations membership, broad international recognition as symbolized by exchange of embassies, and implicit U.S. recognition of the legitimacy of the current Chinese regime through President Nixon's trip to China. But China's memory of a century of humiliation and exclusion from the full rights of other members of the international system continues to influence her foreign policy. In particular it affects her views of arms control negotiation, in which she is determined not to be relegated to a permanent inferior strategic role, and border negotiations, in which China is willing to accept the status quo but insists on renegotiation of the humiliating, unequal treaties which were forced on her at a time when she was regarded not as a nation but as a subject for plunder.

One can identify a number of basic trends, some of which are contradictory, in Chinese foreign policy.

The first trends concern level of involvement of China in the international system. Some of the foundations of the policy of self-reliance are eroding. The weakness and humiliation of the century between the Opium War and the communist takeover encouraged a policy of self-reliance simply because China's contacts with the external world invariably proved painful rather than rewarding; China's increased resources and increasingly broad acceptance as a legitimate, modern nation weaken these emotional bases of the policy of self-reliance. Simultaneously, the rest of the world and particularly the United States have ceased to impose isolation upon China from without. China's traditional self-sufficiency and her ideological differences with much of the rest of the world continue to influence her contemporary foreign policy but the price China pays in terms of lost trade, lost investment, lost returns from employment of her skillful labor, and lost access to foreign technology increases rapidly. Thus China's involvement in the rest of the world is likely to increase, but traditional autonomy, ideological differences, low levels of resources, and the conflicting claims of ideology and nationalism, are likely to keep her level of economic and political involvement in the rest of the world relatively low by Western standards. However, Siberian development and a major confrontation with the U.S.S.R., or some similar crisis, could conceivably provoke a major reinterpretation of the policy of self-reliance.

China's foreign policies are likely to continue to be characterized by caution as well as by relatively low levels of external involvement. China's violent revolutionary rhetoric has always contrasted with an extreme caution as regards overt acts. The rhetoric has reflected a "bobcat-in-a-corner" stance reflecting weakness, memory of past humiliation,



and recognition of the strength of China's enemies; such rhetoric substituted for great national strength rather than reflecting an aggressive determination to deploy existing strengths. Caution also reflected an absence of territorially aggressive designs beyond the traditional boundaries of China as well as a rational recognition that China's inadequate logistic capabilities preclude extensive deployment of Chinese troops outside Chinese boundaries.

China's border issues seem basically on their way to solution. Although she still has undelineated borders with India, the U.S.S.R., Taiwan, Hong Kong, and her Senkaku Islands and territorial waters claims, China has reached boundary agreements with several neighbors based on the status quo and fair or even favorable to those neighbors. None of China's border policies suggest expansive designs a la Hitler. China's claim to Hong Kong seems virtually indisputable, particularly after 1997, if she chooses to press that claim.\* She may very well not press it. Her claim to Taiwan, whether or not one accepts it, represents a limited ambition to regain territory whose international status is unclear and which has been ruled by China for a period longer than Americans have owned the United States and far longer than the rule of any other power; the claim that Taiwan is an integral part of China is shared by the government on Taiwan, but not necessarily by the majority of the population of Taiwan. The border disputes with India, and the brief 1962 war, have resulted not from excessive Chinese ambitions but from Indian arrogance and refusal to negotiate.\*\* Chinese maritime claims are excessive, but in negotiations on

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\*For more details, see the Hong Kong section below.

\*\*Cf. Neville Maxwell, India's China War (New York: Pantheon, 1971).

similar issues with Japan the Chinese proved to be quite reasonable. Thus, although one can imagine scenarios in which border issues became critical, the surprise-free projection must be gradual solution of border disputes on a basis that is fair to both sides. The principal Chinese demand in the border negotiations has not been for increased territory but rather for borders negotiated on the basis of equality with her neighbors rather than the unequal treaties of the past.\* In this regard it is important to note that, while the Chinese might provoke minor incidents on the border with the Soviet Union, circumstances under which the Chinese would provoke a serious war with the Soviet Union are quite difficult to imagine. In such a war China's maximal gains would consist of chunks of rather inhospitable Siberian countryside, whereas China would risk permanent loss of her Manchurian industrial base. And China's political-military leadership is hardly the kind of leadership which would deliberately provoke an unsuccessful war.

Another important trend concerns the relative weights given by Chinese foreign policy to ideology and nationalism. Where ideological and nationalistic goals coincide, as in the case of support for Thai revolutionaries who seek to overthrow a government allied to a power hostile to China, no problem occurs. But frequently the strictly power interests of the Chinese government conflict with the revolutionary goals postulated by Maoist ideology, as in the case of the recent rebellion in Ceylon. China has oscillated widely in its relative emphases on ideology and nationalism, and one must not confuse the short-term decline in ideological fervor

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\*For further details on Chinese negotiations generally, and border disputes in particular, cf. Luke T. Lee, China and International Agreements (Durham: Rule of Law Press, 1969).

following the Cultural Revolution with a long-term trend toward emphasis on nationalistic over ideological goals where the two conflict. Nationalistic goals have always been heavily weighted. For instance, China's policy toward the overseas Chinese has typically emphasized encouraging the overseas Chinese to be good citizens of the country in question rather than employing them as subversive elements.\* This trend may have strengthened in recent years. Moreover, China increasingly finds herself in conflict with Communist neighbors such as the Soviet Union and North Vietnam and desirous of improved relations with non-Communist countries such as the United States, Burma and Ceylon. China even went so far as to give counterinsurgency training to Ceylonese government forces which faced a local communist uprising. One can imagine such training in the future for a friendly but non-communist Thai government fighting North Vietnamese-supported insurgents.

Finally, Chinese foreign policies will necessarily reflect the rapidly increasing power of Japan and China itself. Japanese rearmament, however gradual, frightens the Chinese because of the memories of World War II, and raises the possibility that some time in the future Japan, rather than the Soviet Union or the United States, will be viewed as China's principal opponent. In the nearer future, China is likely to devote increasing attention to the possibility of splitting the Japanese-American alliance. Events of 1971-73 have profoundly disrupted the Japanese-American alliance, and the timing and style of changed American relationships with China have been among the central causes of that disruption. Chou En-lai can hardly

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\*For a more thorough discussion of PRC policies on overseas Chinese, cf. Stephen Fitzgerald, China and the Overseas Chinese (Cambridge, England: Cambridge University Press, 1972).

have been unaware of the disruptive possibilities inherent in the timing and style of announcement of the visits of Mr. Kissinger and President Nixon to China, and he is likely to attempt further exploitation of this particular kind of gold mine. Simultaneously, China's increasing nuclear capability allows China to hold Japan and much of the Soviet Union hostage and thereby to increase Chinese leverage over those countries. Moreover, Chinese acquisition of ICBM's seriously reduce the credibility of the American nuclear guarantee to Japan and thereby weaken that relationship.

Taiwan.\* Taiwan is likely to be a primary determinant of China's relations with Japan, the United States and the Soviet Union. Taiwan is regarded by both its own Kuomintang government and the Peking government as an integral part of China, but the Government of the Republic of China (GRC) has a formal alliance with the United States, is strategically and economically important to Japan, and is a possible candidate for Russian mischief as Russia attempts to encircle China.

The GRC faces a succession crisis when Chiang Kai-shek dies. Through a complicated procedure Chiang Kai-shek's son, Chiang Ching-kuo is supposed to become President of China, but challenge to his authority is possible although not highly probable. Moreover, Chiang Ching-kuo's history of occasional ill health opens the possibility that he might die unexpectedly at some relatively early date; such an eventuality might imply a succession struggle. Reinforcing the succession crisis is a more serious constitutional crisis. Under the current constitution, the

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\*This section is deeply indebted to discussions with Frank Armbruster, Augus Fraser and Nathan White. For additional material on Taiwan, cf. the previous chapter and Chapter III of Appendix II.

Kuomintang government is held to represent all provinces of China and therefore the population of Taiwan can elect only a tiny proportion of its rulers. Whatever acceptance such a rationale had in the years immediately after 1949, prospects for reunification necessarily diminish as time passes and the increasing strength and international recognition of the People's Republic make return to the mainland seem highly improbable. Recent liberalizations have increased somewhat the Taiwanese representation in the government, and mutual Kuomintang and Taiwanese fear of the People's Republic following President Nixon's trip to China has increased the sense of unity on Taiwan. However, it is not yet clear how long this increased sense of unity will endure, nor is it clear whether the Kuomintang will carry through its liberalization policies to the point where the Taiwanese become so fully represented that a politically integrated Taiwan becomes feasible.

Taiwan may also face an investment and trade crisis. For a decade her economy has grown at roughly ten percent per year, making her one of the great economic success stories of the world. However, President Nixon's trip to China and the various slights to Taiwan entailed by that trip have seriously shaken many of the foreign investors upon which Taiwan depends. The United States government has continued to encourage American investment and such encouragement may very well be successful, although that remains to be seen. After the Nixon trip Japanese investors greatly reduced their rate of investment in Taiwan and in 1972 many companies expressed a willingness to write off their investments in Taiwan in order to obtain concessions from the People's Republic, but Japanese investment returned to about previous levels in 1973. Nonetheless, Japan's trade with

Taiwan remains higher than its trade with the People's Republic, and Japanese investors may decide eventually that Peking's autarkic trade policies and low level of development make massive trade improbable and thereby render trade with Taiwan more interesting. Moreover, in 1973 Peking deemphasized its opposition to some forms of Japanese economic relations with Taiwan, so Japanese economic stimulation may continue.

Conceivably, Taiwan may face various military crises. She faces not only the claims of the People's Republic but also various boundary disputes with Japan and the Philippines. Involved in the disputes with Japan and the Philippines are not only minor islands but possibly also substantial continental shelf resources, including oil.

Reinforcing all of these possible crises is a crisis of diplomatic isolation. Increasingly the nations of the world are withdrawing recognition from the GRC and granting diplomatic recognition to the People's Republic of China, just as the United Nations has done. Diplomatic isolation is not in itself disastrous but it can create great anxiety, can call into question the internal legitimacy of the regime, and can under certain circumstances inhibit development of trade relationships with other countries. As long as the other crises do not become severe, the isolation crisis will not greatly affect Taiwan, but it will reinforce the severity of other serious crises.

The United States has various interests in Taiwan. Repair facilities on the island have been useful but become less necessary as the United States withdraws from Vietnam and less necessary as the Nixon Doctrine raises the threshold of American military involvement in Asia. Likewise, Taiwan has been logistically useful and has constituted an unsinkable but immobile aircraft carrier. It is a possible storage area for nuclear



weapons. But these logistics uses become less necessary as the Nixon Doctrine is implemented and less possible after Nixon's promise on his China visit that the United States would withdraw all forces from Taiwan as tensions are reduced. Such a promise does not, of course, legally inhibit intensive use of Taiwan as a logistics area in a crisis, but it creates a psychological climate in which such use is difficult. Taiwan's third military use is as an intelligence collection point. The cryptology done on Taiwan is of limited value, the radio broadcasts and radar and air defense monitoring can be done elsewhere, and the most valuable intelligence currently comes from satellites, so relocation of intelligence collection facilities is possible. On the other hand, the costs of such relocation would be fairly high.

Taiwan has also been useful to the United States as a major success story of economic development and one of a few key examples of countries in which Nixon Doctrine-type military policies are feasible. But the utility of Taiwan as a success story and paragon of American policy is diluted by the bad political image of the Kuomintang regime and by Taiwan's only partially deserved reputation for excessive economic dependence on the United States.\* A more significant political value to the United States of the treaty with the GRC has been legitimation of the U.S. right to restrain Kuomintang attacks on the Mainland in the interest of stability. In this regard it is useful to remember that the present division of China into the Mainland and Taiwan also occurred when the Ching Dynasty drove remnants of the Ming Dynasty to Taiwan, and that it was Ming attacks on

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\*Economic aid was discontinued after 1965, but extraordinary growth rates have persisted.

the mainland which eventually prodded the Ching Dynasty into assembling a navy adequate for conquest of Koxinga's Taiwan.

Taiwan has also been an alternative focus of identity for the overseas Chinese, but the importance of this is frequently overstated. Dislocation of the government on Taiwan would not immediately lead to intense pro-communist sympathy among overseas Chinese in Southeast Asia and elsewhere, nor would it necessarily lead those overseas Chinese to support local efforts at revolution. Both the local socio-economic interests of the overseas Chinese and the attempts of Peking to get along with the governments of Southeast Asian countries would minimize the unsettling impact of loss of this alternative focus of identity. Nonetheless, loss of this focus of identity may prove important. Singapore could not conceivably replace Taiwan as a focus to any great extent. Intense hostility to overseas Chinese in some Southeast Asian countries frequently boils over into riots and economic policies which force overseas Chinese to seek international refuge or assistance, and Taiwan has played a role here which the PRC might absorb to some extent.

The status of Taiwan exercises some influence on the political-military structure of the East Asian region, but this influence is now greatly diminished. The U.S. cannot use allied Taiwanese forces outside Taiwan because of the likely PRC response to such use. The extent to which forces on Taiwan draw People's Republic troops away from Southeast Asia, Korea, and the Chinese boundary with the Soviet Union has declined since the President's trip to Peking. Taiwan provides a bargaining counter for the United States to use in negotiations with China, but also provides a thorn which limits both the degree of rapprochement possible between the United

States and China and the rate at which such rapprochement can occur. The status of Taiwan once inhibited close cooperation between Japan and the People's Republic of China, but it is not likely to do this for long--given Japan's new ties to the PRC--and it also introduces tensions into the region which are not necessarily in the interests of the United States or, more generally, in the interests of stability.

Finally, it is well not to overestimate American economic and cultural interests in Taiwan. American holdings in the Philippines are several times as large as in Taiwan. And while the impressive growth of the economy in Taiwan is at least partly traceable to the current free enterprise policies, the original ideology of the Kuomintang was socialist, and the party structure is based on a Bolshevik model. Nevertheless, it is worth noting that Taiwan is a peaceful and prosperous place for Chinese to live, and the freedoms available there are in general as great as any Chinese is likely to find under any Chinese government, past or present, and vastly exceed the freedoms available to residents of the People's Republic.

The benefits of the alliance with the GRC for the United States are thus low and probably declining. What of the costs?

The principal cost of the alliance with the GRC is a low and probably declining but still not insignificant possibility of war with China, together with the possibility of involvement and future domestic unrest on Taiwan in an attempt to ensure that our ally was sufficiently strong that honoring our treaty commitments would not impose unbearable costs on the United States. In addition, there are the small political costs of association with a regime which many Europeans and Asians view as repressive and domestically unpopular and as illegitimate or as a mere residue of a civil

war. Moreover, some scholars have argued that the majority of the Taiwanese dislike the Kuomintang regime and that the Taiwanese transfer this dislike to the U.S. because the alliance makes the U.S. a supporter of the current government.

At a time when the United States seeks rapprochement with the People's Republic of China, the alliance with the GRC limits the degree and rate of rapprochement both directly by creating a source of immediate conflict between the U.S. and China, and indirectly by stimulating Chinese militarism and revolutionary fervor and basic unwillingness to accept the international status quo.

Finally, the alliance with the GRC creates a severe source of strain between the United States and its most important ally in the Pacific, namely Japan. Taiwan's close economic and strategic relationship to Japan, and Taiwan's half century association with Japan, render the island a sensitive and explosive issue in Japanese politics, and magnify the conflicts which result whenever American and Japanese policies get out of step with one another on this issue. At stake in this U.S. relationship with Taiwan and Japan are the credibility of American alliances, the military security of Japan, the status of various boundary claims made on Japan by China, and Japanese perception of the degree to which America is sensitive to the needs of her greatest Pacific ally. Taiwan thus becomes a major thorn in the American-Japanese alliance.

In short, while the benefits to the United States of alliance with the GRC are small and probably declining, the costs are also small but possess some small but significant chance of rapidly becoming quite large. Under such circumstances, one must raise the possibility of abrogation of

the treaty with the GRC. Such abrogation is possible with one year's notice; in the absence of such notice the treaty continues indefinitely. Abrogation of the treaty with the GRC would not lead to takeover of Taiwan by the People's Republic in the immediate future. The People's Republic is not likely to attack Taiwan with nuclear weapons, because the Nationalists are Chinese and because Taiwan is seen as part of China's own territory. Use of nuclear weapons in such a situation would be like a decision by Washington to use nuclear weapons against Hawaii. Moreover, the Chinese have promised not to be the first to use nuclear weapons and evidence suggests that they do not lightly make or break such promises. The mainland's ability to assault Taiwan by conventional military means is limited by the strength of the government and armed forces of Taiwan, by the weakness of the mainland's navy and air force, and by the 200 miles of blue water intervening between the mainland and Taiwan. The weakness of the mainland's navy and air force should not be overemphasized if one is projecting as far into the future as the late 1980's, particularly if Taiwan should meddle in the mainland's politics. The present reality of Taiwan's strong defenses must be emphasized, but over the long run one must remember the successful Ching naval assault on Koxinga and the remainder of the Ming Dynasty.

The U.S.-GRC treaty continues indefinitely unless one of the parties abrogates it. Abrogation of the treaty might transform GRC annoyance over rapprochement into outright hostility, but the GRC would retain strong political and economic interests in good relations with the U.S., and the impact of abrogation could be largely mitigated by reiteration of U.S. insistence on peaceful settlement of the Taiwan issue. Conceivably,

abrogation of the treaty could lead to Taiwan's alignment with either Japan or the Soviet Union or to accommodation with the PRC. However, the GRC intensely fears potential Japanese influence over the Taiwanese majority, and the Soviet Union might very well feel that the costs of such an alignment would far outweigh the benefits. Given its present unity and military strength, Taiwan has no great need for accommodation with the PRC, and direct negotiations with Peking could spark revolt on Taiwan. So accommodation is likely only in rather innocuous forms unless fairly drastic changes occur. (If accommodation did occur, it would most likely be negotiated secretly and would probably result in Taiwan's acceptance of a status as an autonomous region of China, following the foreign policy of the People's Republic but retaining control of internal, social and economic policies.\* The fate of Taiwan would be quite different from the fate of other autonomous regions such as Tibet and Sinkiang, because Taiwan is more capable of defending itself against attempts by Peking to impose military rule on the island and eventual socio-political transformation.)

Abrogation of the treaty with the GRC would, as previously noted, involve some relatively expensive relocation of facilities. More important, abrogation badly handled could affect the credibility of other U.S. alliances. If abrogation were to coincide with Vietnam's collapse or with total withdrawal from Korea, or a serious dispute with Japan, then abrogation could cast into doubt the viability of every American alliance in Asia. Above all, abrogation of the alliance with the GRC without the most

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\*Cf. the appendix on Taiwan.



careful consultation with the Japanese would violently disrupt the Japanese-American alliance and could have serious internal consequences for Japanese politics. Given the relatively low current costs and benefits of the alliance with the GRC, and given the financial costs and diplomatic slipperiness of abrogating the alliance, the temptation will inevitably be to dodge this issue. But the increasing possibility that some time during the 1970's or 1980's the American military guarantee of Taiwan could become a serious international and domestic embarrassment for the United States makes it imperative that formal consideration of the desirability of continuing the alliance occur before a crisis situation arises and also makes it imperative that the status of the alliance be regularly reviewed.

In the event that the People's Republic should eventually take over Taiwan, the international stature of the People's Republic would be greatly augmented, regardless of whether the takeover occurred through a process of accommodation, through military assault in the absence of outside defenders of Taiwan, or through assaults despite a Taiwan alliance with the United States. The effect on the United States would depend upon the specific circumstances of the takeover. If the takeover occurred a decade or so after a skillfully handled abrogation of the treaty with the GRC, or as a result of peaceful negotiations between PRC and GRC,\* then the effect on American prestige would be minimal. On the other hand, if takeover occurred despite an American guarantee or shortly after a treaty abrogation which coincided with serious American foreign policy failures in the region, such as a Vietnamese collapse, then American credibility and influence could be severely damaged. It is worth reemphasizing that,

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\*For a note on this possibility, cf. Chapter VII: United States Interests and Strategy in Eastern Asia.

regardless of the effects of takeover on the prestige of various parties, a PRC takeover of Taiwan would not encourage PRC aggression elsewhere. Various analogues of the Munich situation occur around the world; this is simply not one of them, as argued in the section on PRC border disputes.

PRC takeover of Taiwan would provide the PRC with certain strategic advantages. Takeover would increase the PRC's economic resources about six percent, an increase which would be offset somewhat by the socio-economic difficulties of incorporating a population accustomed to a much higher standard of living than is customary on the mainland. Possession of Taiwan would provide the PRC with a deepwater port for submarines, which is currently unavailable because the continental shelf extends far from shore along the entire coast of China. Possession would also give the PRC more warning time against air attack and would provide various potential opponents such as Japan with less warning time; it would reduce Japanese air effectiveness against China and would put Chinese patrols close to the Philippines and the Ryukyus. From Taiwan the PRC could threaten the Ryukyu Islands and particularly the bases on Okinawa, and could make a more credible claim to the Senkaku Islands which are currently in Japanese hands but are claimed by both Chinas. Possession of Taiwan would facilitate infiltration of the Philippines, but it is not at all clear that China would desire such infiltration under likely international political conditions or that infiltration, even if undertaken, would significantly alter power relationships within the Philippines; Philippine guerrillas are already better equipped than their Philippine Army counterparts and their crucial problems seem to be matters of internal organization rather than military equipment.\* These

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\*Cf. the appendix on the Philippines.

strategic considerations are nontrivial for military forces operating in the region, but they are hardly earthshaking considerations.

More important are the political considerations. Sudden and violent communist takeover of Taiwan could severely frighten both Japan and South Korea unless those countries were psychologically prepared for the takeover and secure in their own defenses. Under certain circumstances, PRC takeover could have unpleasant domestic American political repercussions. Among the crucial determinants of the domestic American political impact of takeover would be the degree of violence accompanying the takeover, the degree of U.S. involvement in Taiwan and in East Asia generally, the popular American attitude toward China at the time of takeover, the degree to which the takeover occurred in coincidence with other disconcerting events such as difficulties in Korea or Vietnam or elsewhere, and the extent to which the American President was vulnerable to attacks from the political right. At the same time, PRC takeover of Taiwan would remove the most explosive and divisive issue from the East Asian arena; it would virtually eliminate chances for a war between China and the U.S., greatly reduce tensions between Japan and China and thereby reduce the likelihood of war in Korea, and remove a potentially serious source of strain from the U.S. and Japanese relationship. Depending on Soviet policies, it might eventually allow reduction of the U.S. presence in Korea. Finally, PRC takeover of Taiwan would greatly accelerate institutionalization of PRC relations with her neighbors except the U.S.S.R., because the feeling that part of her territory is occupied by an alternative regime supported by foreign powers has reinforced China's rejection of the status quo and her occasionally paranoid fear of invasion by those foreign powers.

Hong Kong and Macao.\* Hong Kong was acquired by the British from China in 1841 during the Opium Wars. The lease on most of the territory expires in 1997. The Hong Kong Chinese generally resent British imperial presence but many--especially the refugees--fear the People's Republic even more. As a legacy of the days of imperialism and unequal treaties Hong Kong is a sore on China's side, but Hong Kong has also been useful for the Chinese. With the end of America's policy of isolating China economically, Hong Kong will no longer be the exclusive source of foreign exchange that it has been in the past, and to that extent the rationale for its existence will have been reduced, but Hong Kong retains great economic utility for China and military takeover of Hong Kong would require significant although not unbearable costs.

The possible alteration of Hong Kong's status affects local and foreign business and political attitudes toward Hong Kong, and this effect may increase by the middle or late 1980's. In the meantime, Chou En-lai has reassured Hong Kong, and China is not likely to take strong initiatives toward Hong Kong in the absence of an improbable intense conflict with Britain. However, local Hong Kong militants seeking high status and a future Communist Hong Kong might generate severe internal disruptions. For both ideological and nationalistic reasons China could not fail to give such dissidents at least strong verbal support, but more concrete aid would probably not be forthcoming unless the dissidents forced the British to the verge of withdrawal. This was the pattern of the 1966 incidents and despite the ideological

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\*See also "The Three City-States" section of the preceding chapter.

fervor of the Cultural Revolution, the People's Republic offered Hong Kong dissidents only verbal support together with minor border incidents.

Macao's situation is essentially similar to Hong Kong's, only much more vulnerable. The PRC does not benefit as greatly from Macao's economy as it does from Hong Kong's. Portugal's will and ability to resist take-over are much weaker than Britain's, and pushing Macao around would be an effective way for Peking to support independence struggles in Angola and Mozambique. On the other hand, PRC pressure on Macao but not on Hong Kong would frighten Hong Kong to the disadvantage of PRC economic interests and would call attention to the inconsistencies in Chinese policy and to Peking's unrevolutionary tolerance of imperialism on its southern coast.

Korea.<sup>\*</sup> Both Koreas have achieved substantial economic growth, political cohesion, and construction of powerful military organizations. Both have potentially severe conflicts with their own allies and both have been extremely volatile in their relations with one another.

President Park used the declaration of martial law at the end of 1972 to ram through a new constitution which imposes on South Korea an extremely authoritarian regime. There seems to be widespread support among various elite groups for the idea that authoritarian rule is essential to economic development and essential to maintenance of national unity sufficient to deal with the North Koreans as they negotiate the issue of possible reunification. But students, Christians, members of opposition parties, and others maintain vocal and sometimes explosive

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<sup>\*</sup>See also "The Three Minor Powers" section of the preceding chapter.

criticism of the Park regime. South Korean attempts to control dissent, including dissent abroad, have frequently strained relations with Japan and other countries.

Conflict between the two Koreas has been intense and explosive. Polemics have been extreme and military engagements of various magnitudes have occurred frequently since the end of the Korean War. Both Koreas have been inclined to adventuresome and surpriseful foreign policies even at the risk of large-scale war. Both have engaged themselves in ideological conflicts far beyond their own borders, as in North Korea's meddlings with Filipino and Ceylonese politics and South Korea's dispatch of troops to South Vietnam.

Divided by ideology, the two Koreas nonetheless yearn for unification. Koreans are racially and culturally homogeneous and have a long and proud history of political unity. The heavy industry and food deficit of the North complement the light industry and food surplus of the South. Mutual fear of the giant nations which surround them heightens the sense of common identity.

America's sudden rapprochement with the People's Republic of China stimulated drastic examination of South Korean foreign policies and presumably also of North Korean policies. The Sino-American rapprochement may very well have stimulated the North-South talks which occurred early in 1972 under Red Cross auspices, and the rapprochement certainly accelerated, and may have precipitated, the secret talks which led to announcement in early July of 1972 of agreement on the desirability of eventual unification and on interim reduction of verbal and military hostilities together with steps to prevent recurrence of hostilities. Military



incidents and the worst polemics were eliminated for a while. But North Korean infiltration of clandestine agents into the South increased during the most outwardly placid period, negotiations rapidly bogged down, and military clashes have begun to recur, particularly at sea.

How far the North-South rapprochement will go is difficult to predict. Few steps could cause greater surprise than the announcements of early July 1972, and conceivably cooperation could sometime expand rapidly. Reunification will of course prove much more difficult than cessation of hostilities or expansion of trade and travel; such reunification would require abolition of one of the two competing governments or merger of governments based on utterly incompatible values and institutions, in addition to reconciliation of incompatible economic institutions. Ironically, in some environments, foreign policy cooperation could prove the easiest initial form of unity.

There is tremendous public support for reunification in South Korea. The Koreans have a 1300 year history of unified rule which puts their situation in a category entirely different from that of the Germans--who are relative newcomers to national unification. Moreover, no one except Koreans speak the Korean language and this creates a situation quite different from the German situation.

North Korea wanted to negotiate the reunification in a single agreement and a single set of negotiations. South Korea, on the other hand, took the position that the negotiations should take place in three stages. The first stage would be humanitarian and would consist of such things as reunifying families. This reunification of families is an extremely difficult task because it would involve shifting five million

families in each direction and thus would have tremendous political impact upon both regimes. The second stage in the South Korean format would involve economic issues such as trade. The third stage, which would be undertaken only after successful completion of humanitarian and economic stages, would be discussion of political issues. The North Koreans take the position that the negotiations should not be done in stages, and that if they are done in stages the economic step should precede the humanitarian step.

The South's insistence that the humanitarian step precede the economic step seemed to constitute an attempt at stalling the negotiations. The economic issues are clearly much easier to deal with than the humanitarian issues because the political implications are far fewer. Much of the Korean elite recognized that the South's position in the negotiations constituted stalling, and this recognition together with the tremendous support for unification is likely to have very strong political implications for President Park in the next few years.

Moving to international issues, the Sino-Soviet conflict implies some possibility for such severe conflict in the vicinity of North Korea and for such strong attempts by the Russians and by the Chinese to manipulate the North Koreans that the North Koreans would be driven to a position of greater unity with the South in order to protect their own integrity. However, the current situation seems to be that the Sino-Soviet split puts the Russians and the Chinese in competition for support of North Korea in order to get North Korean allegiance. North Korea is trying to make the most of this competition, and in 1972-73 reorganized her government to look more like the PRC government but appointed to the various posts a much more pro-Soviet group of officials.

The South Koreans express the strongest fear of an American pullout and constantly repeat that the only way to negotiate with the North is to negotiate from strength. There is anger frequently expressed at the Nixon Doctrine and some of the more outspoken professors will say, for instance, "this Nixon Doctrine is a terrible doctrine. You must change this doctrine." However, when one presses them on the net outcome of the President's trip to China and the Nixon Doctrine, they argue that the Nixon Doctrine has confused Korea's enemies more than it has hurt Korea.\*

In conversation with Americans about foreign policy issues, the South Koreans tend to emphasize their conflicts with North Korea, with the Soviet Union and with China, but when the writer asked one minister what the United States should do to help South Korea if there were just one all-important thing that we could do, the reply was quite definite. He felt that the United States should strengthen the Republic of Korea economically in order to avoid a Japanese takeover of political power in South Korea as a result of the tremendous economic influence. After this writer had given a lecture on how the Japanese export of industries would make the Koreans rich, the replies from professors and other members of local elites typically consisted of emotional statements about how terrible the Japanese economic growth was. A danger for South Korea is that this deep antagonism toward Japan, incidents like the kidnapping of Kim Dae Jung, and possible political changes in Japan, might some day conjoin to stimulate drastic Japanese economic sanctions or a political/economic shift in North Korea's favor.

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\*These remarks are based on reactions to a lecture tour in 1973.

Despite their discounting of economic advantages gained from the export of Japanese industries abroad, the Koreans, both South and North, seem to be moving into a period in which they would emphasize economic competition. The North Korean ministries have recently contracted from 31 ministries to 15, but at the same time they were doing this contraction they added two new economic ministries for a total of 9. Parallel to this the South Koreans have been taking a number of new economic initiatives such as setting up trade promotion groups in other parts of Asia. In this the Koreans seem to be following much of the rest of Asia in turning from essentially political or religious animals into economic animals, and this bodes well for the development of the whole Asian part of the Pacific Basin.

To the extent that the Korean accords resulted from the Sino-American rapprochement, that rapprochement represented a triumph for the diplomacy of peace. With the Taiwan issue on ice Korea became the focus of instability in Northeast Asia and the only place in the world outside the Middle East where a great power confrontation of potentially disastrous magnitude seemed to have a significant probability of occurring. Reduction of hostilities between North and South Korea reduces the probability that such a confrontation would come in the near future and without warning. Moreover increased stability in Korea calms frazzled Japanese nerves and reduces the likelihood of rapid Japanese rearmament or political realignment. Unfortunately the rapprochement seems very shaky.

The crucial strategic significance of Korea would remain even if the country should become completely peaceful and unified internally. Two of the three wars which have been fought on Korean soil in the last

century were fought on the soil of a unified Korea, and resulted from Korea's strategic position at the confluence of Japanese, Russian, and Chinese power, rather than from internal disunity in Korea. The stronger Korea is, the less likely she is to become a battleground, but her geographic position dooms her even under the best circumstances to being a focus of East Asian rivalry. The presence of nuclear weapons in the area deters some kinds of conflict, but the recent history of Korea constitutes a paradigm for conventional conflict despite a nuclear environment. Should old rivalries resume once again Japanese anxiety will increase dramatically and so will the likelihood of all the unpleasant consequences of possible Japanese rearmament. Moreover if Japanese anxiety should lead to Japanese security involvement on Korean soil, then a major arms race in the North-west Pacific can be predicted.

The American presence in Korea mutes the classic rivalries over the peninsula and calms Japanese fears by providing a visible American presence in the area of their most vital strategic concern. In maintaining troops on the peninsula the United States thereby serves Chinese and Russian interests to some extent as well as Japanese and American interests, and this fact should become more visible to the Russians and Chinese as American forces are withdrawn from other areas of the Pacific and the total force thus comes to appear less threatening to Russia and particularly China. Despite this the United States may face considerable difficulties in maintaining a presence in Korea. Increasing domestic emphases and possible political changes in the United States will soon be augmented by a Chinese drive to remove the United Nations flag from Korea. And loss of the imprimatur of the United Nations will greatly increase the

difficulty of maintaining American public support for the presence of American troops in Korea. Conceivably the time will come when removal of American troops will so facilitate the unification and strengthening of Korea that the cause of stability will be better served by withdrawal than by continued presence. But in a surprise-free projection the pressure for withdrawal will peak long before reduction of tensions within Korea and outside Korea make such a withdrawal safe. Thus Korea should remain a focus of American attention, and withdrawal from Korea should be more carefully considered than withdrawal from virtually any other military position in Eastern, Southeastern, or South Asia.



## IV. POLITICAL CONTEXT II: SOUTHEAST ASIA\*

A. Images of Southeast Asia

Although Southeast Asia is usually viewed as a single unit for the purposes of policy analysis, most careful observers have long understood that analysis requires some distinctions among the regions of Southeast Asia. For cultural purposes one must distinguish Sinic cultural areas from Indic cultural areas, and of course distinguish these in turn from the Western European cultures of Australia and New Zealand. For economic purposes one would view these in quite a different fashion. Here we will concentrate on political and international relations perspectives.

Perhaps the most common political image of Southeast Asia might be called the link sausage or domino image. The countries of Southeast Asia are viewed as a series of dominoes which fall one after the other or links of sausage which get chewed up and swallowed one by one as communist forces move from China to Vietnam, to Laos and Cambodia, to Thailand, to Malaysia, and so forth. These images are not always as implausible as they are sometimes held to be, but the domino image implies a falsely automatic process and the sausage image fails to take note of the degree to which takeover of one country can provoke heightened resistance among others. For some purposes it is useful as a supplement to other possible images, but it is by itself an inadequate tool.

For purposes of political and security policies a distinction between mainland and insular Southeast Asia is usually useful. Mainland Southeast Asia differs from insular Southeast Asia in proximity to China, in proximity

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\*With a note on India.

to North Vietnamese influence, and in the extent to which hostile domination of any single country implies a direct threat to any or all of the others.

A third image of Southeast Asia revolves around the crucial issue of stability. Asia as a whole is a zone of instability for a number of reasons including most importantly the disruption which economic growth imposes on a traditional society, the recency of the demise of colonialism and the resultant insufficient development of strong modern political institutions, and the predatory activities of larger extra-regional powers. Within this zone of instability the outside power which wishes to retain its influence in the area might wish to develop securer ties to points of stability while devoting considerably less attention to the surrounding instability. A policy based on such premises could be expected to have greater staying power and to minimize the likelihood that its own regional position would come to depend on the endurance of a shaky ally. The key to a policy based on such assumptions is the ability to distinguish apparent and temporary stability from real and likely enduring stability. The governments which can be expected to endure over the long haul are those which possess relatively strong central administrative capabilities and which possess party systems that tie the government to the people.\* Communist states typically have strong central bureaucracies and have party systems which involve mandatory and highly structured programs of political education and political participation. Democracies may or may not have strong central

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\*For useful discussion, cf. Samuel P. Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968), Chapter One. We are considerably more optimistic than Huntington regarding the ability of developing nations to turn growth to their advantage.

bureaucracies; if they do not they are likely to falter, but when they have strong administrations they are exceedingly resilient. And one should measure strength by Southeast Asian standards, in which case a country like the Philippines measures up relatively well, but a country like Indonesia comes off very poorly. Democracies have party systems which are typically far more inclusive and involve far less structured participation than communist party systems. Democratic party structures are not useful as a national administrative tool but they are typically far more flexible than communist party structures. They are probably more effective in guaranteeing loyalty under high stress, and if used properly they are probably about as effective as communication nets which provide crucial information and intelligence for the government. Military governments typically appear more stable than democratic governments in the short run but surveys of the evolution of nonrevolutionary military governments persistently reveal a tendency for military governments to absorb the social and political conflicts of the nation without being able to aggregate them coherently and to suffer greatly in terms of both political and military effectiveness over the long run. Authoritarian non-communist governments like Taiwan can prove very stable because of high quality administration, a broad-based single political party, and an effective military. Thus Taiwan, Korea, Singapore and others tend to be strengthened by growth.

A fourth and final conceptual approach to Southeast Asia is essentially an ideological view. Southeast Asia could be divided into communist states, democratic states and other kinds of states. It so happens that much of insular Asia is democratic or quasi-democratic whereas none of

the mainland states of Southeast Asia has a democratic political system-- although Thailand is currently making its most serious attempt to date to establish constitutional democracy. Insular democracies of East and Southeast Asia start with Australia and New Zealand in the South, run through Malaysia, and end with Japan in the North. The Philippines have in the past operated an effective democracy, and may do so in the future. Taiwan and Singapore have elements of democracy which could conceivably be strengthened, although one must express pessimism about their turning into full-fledged democracies within the near future. Democracy in Japan is imperfect. Democracy in Malaysia is both imperfect and somewhat threatened. Nonetheless the extent to which democratic values have persisted in the vast region of insular Asia, despite apparently overwhelmingly social and political problems, remains impressive. Given encouragement one can as easily imagine the consolidation of democracy as the dominant political orientation of this region over a period of, say, a quarter or half a century as one can imagine the clinking of a row of incipiently communist dominoes. It is fortuitous that the democracies and potential democracies of Southeast Asia are distant from the influence of China and North Vietnam and relatively defensible, and are in addition sufficiently separated from one another (although one must not exaggerate the extent of separation given the multitude of small boats and easily traversed island chains in the area) to have their political futures less closely linked than is the case with Mainland Southeast Asian nations.

These images of Southeast Asia are by no means mutually exclusive nor do they exhaust the images which one could impose on the variegated details of Southeast Asian life. But bringing these images to consciousness may

facilitate choice among them or relative emphasis among them, and may also facilitate criticism of the failings of each of the images.

Indochina. \* The ceasefire which terminated direct American military involvement in Vietnam ratified a state of mutual exhaustion between the United States and North Vietnam. On the American side, public opinion had turned against the war, military morale was flagging, involvement in the war was causing a deterioration in America's worldwide strategic position, and the economic costs of the war were becoming painful. Not so much is known in any definite way about the North Vietnamese situation, but North Vietnam had social, political and military problems and was uncertain of her allies in the face of Soviet and Chinese dalliance with President Nixon. The mid-1972 North Vietnamese offensive achieved surprise, concentration of forces, and dramatic technological escalation to a degree which led most contemporary observers to expect devastation of the South Vietnamese, but extraordinary weaknesses in North Vietnamese tactics (especially the use of tanks) and extraordinary performances by certain South Vietnamese units, especially at An Loc and Hue turned back most of the offensive, leaving both sides in a state of relative exhaustion. Although most commentaries at the time provided only superficial commentary, the results of the 1972 offensive forced careful observers to qualify old cliches about overwhelming North Vietnamese military superiority and overwhelming South Vietnamese weakness.

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\*The original version of this report heavily emphasized Indochinese issues. But the ceasefire and other events have dated so much of this material that we have omitted most of this section and deleted several appendices on Indochina from the report.

The outcome in South Vietnam was, at least for the short-run a substantial victory for the United States and South Vietnam. North Vietnam had failed to conquer the South and controlled only some small peripheral lightly populated areas of South Vietnam. But whether this victory will persist depends on political events which are difficult to foretell. The North Vietnamese continue to undertake massive militarization and fortification of the areas of South Vietnam under their control and the two sides continue to nibble the ragged edges of one another's territory. In the heavily populated areas officially under Saigon's control it remains to be seen how strong the communist organizational infrastructure will prove to be and how extensively that infrastructure will be able to control rural areas as some of South Vietnam's population begins shifting back from urban areas to the countryside. Militarily, Saigon's capabilities seem much more impressive than observers a few years ago would ever have anticipated. The key question is whether this military strength can continue to be backed up by political unity and rapid economic reconstruction and development. Politically, President Thieu has proved sagacious on all of the short-run issues but attempts to found a serious and extensive political party have floundered. Economically, South Vietnam possesses the long-run potential for dramatic take-off on the model of Korea and Taiwan but in the short-run it faces extremely severe problems in adjusting to American departure and in supporting its military efforts. Because of these economic problems Saigon is heavily dependent on American aid, and the degree to which the American Congress will authorize economic aid is unpredictable.

In Laos and Cambodia the situation has deteriorated far more than in South Vietnam. In both countries the larger part of the territory and



much of the population is under communist control. North Vietnamese forces have not honored the Laotian ceasefire agreement to withdraw from Laos although, apparently, Thai and American forces have. In both Laos and Cambodia non-communist forces remain relatively unorganized by comparison with the communist forces. And in Laos the age and illness of Prince Souvanna Phouma, who has been the pillar of strength of the non-communist forces, give a long-run advantage to the forces of his younger communist brother Souphanouvong.

To analyze the effects of future events on American interests in the face of all the uncertainty that surrounds politics in Indochina it will be useful to look at three distinct scenarios: a South Vietnamese victory scenario, a South Vietnamese debacle scenario, and a South Vietnamese erosion scenario.

If South Vietnam maintains its military position and political unity and succeeds in rapid economic growth, then military, political and economic success will become self reinforcing and one can easily imagine the evolution of a Korean type situation in which both South and North Vietnam would be relatively stable and relatively secure in their existing boundaries. Because there is no clear delineation of the line between North and South Vietnamese forces like the line between North and South Korean forces, and because North Vietnam may continue to be able to infiltrate troops through Cambodia and Laos, the situation would not within the foreseeable future become as stable as its Korean counterpart. But one can easily imagine a state of security comparable to that in Israel after the 1967 war and before the 1973 war. Such South Vietnamese success would not necessarily prevent further deterioration of the government position in Cambodia or

Laos, and indeed one can imagine complete absorption of those two countries by communist forces. However, in such a situation neither Laotian nor Cambodian communist forces would, by themselves, threaten Thailand and North Vietnam would be too preoccupied with South Vietnam to threaten Thailand. Thus the consequences of communist success in this scenario would be largely self-contained within Indochina and no major U.S. interests would be threatened.

A second possibility is an unexpected and sudden South Vietnamese debacle. Suppose, for instance, that economic aid were insufficient to prevent a traumatic crisis and that economic crisis in turn led to political disunity. Such political disunity might tempt the North Vietnamese into a renewed invasion and could even presage military collapse. In such a situation North Vietnam would not only gain complete control of South Vietnam, it would also maximize its ability to determine the future course of events elsewhere in Indochina. Both the Laotian and Cambodian situations would remain quite fluid and Thailand would not yet be in a position to compete successfully for influence in those two countries.

In this situation it is not clear what maximal North Vietnamese objectives would be. They could absorb both Cambodia and Laos into the North Vietnamese state, or they could establish puppet communist governments in complete control of those states, or they could attempt to establish relatively autonomous communist governments in those two states. Given Cambodia's greater economic viability and political mobilization it would also be reasonable for North Vietnam to secure the power of a relatively autonomous Cambodian communist government and to absorb Laos completely or keep tight reigns on a puppet government in Laos.

If it occurred, North Vietnamese absorption of all of Indochina would lead to a state similar to many other states constructed out of former colonies, namely a state whose boundaries were coterminous with the boundaries of the colonized area regardless of ethnic boundaries. Two conflicting analyses of the consequences for North Vietnam of such a situation immediately suggest themselves. First, the great diversity and traditional conflicts of the area could be expected to cause trouble for the North Vietnamese, weakening their internal discipline and sapping their energy for external adventure. On the other hand, a student of history or of military affairs could argue that Genghis Khan subdued and ruled a proportionally much larger, more diverse, and more conflictful territory with proportionately far fewer troops. Moreover, the proven ability of regimes like North Vietnam to rapidly create powerful and loyal military units from populations previously unmobilized or in opposition, implies that the North Vietnamese could saturate all of Indochina with troops, whereas Genghis Khan had to uncover one area militarily in order to saturate another area.\* A balanced analysis would acknowledge the ability of the North Vietnamese to control permanently all of Indochina, and indeed a great deal more than all of Indochina, with their military forces, but on the other hand would acknowledge that the very processes

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\*We do not intend to compare the DRVN in detail, or in emotional impact, with Genghis Khan. The point of this discussion is to compare one extreme, partially useful, sociological model with another extreme, partially useful, military model to indicate vividly the considerations which need to be balanced. Parenthetically, one might note that military analysts have begun, fitfully and hesitantly, to comprehend and employ sociological and political insights into such issues, but social scientists virtually never attempt to comprehend or employ the readily available knowledge of military activities and effects.

of mobilization by which the North Vietnamese would raise armies and institutionalize their control would mobilize political opposition on a scale which Genghis Khan did not have to face. The North Vietnamese would not be in danger of losing control of any part of Indochina, but like the Chinese and the Russians they would have to divert considerable attention to maintaining social control and minimizing political ferment.

If North Vietnam were to absorb Laos, eventual conflict with Thailand would be virtually certain. The Vietnamese and Thais have been expansive and mutually hostile for historic periods. Northeastern Thailand contains large numbers of Lao-speaking people, the borders are extremely difficult to seal, and the activities of ethnic Laotians on either side of the border would almost certainly draw Thailand and North Vietnam into conflict even if neither government deliberately sought such conflict. Imposition of communist ideology and social organization on Laotians under the hegemony of North Vietnam would necessarily affect Laotians in Thailand. Smuggling would spread the effects. Moreover, the North Vietnamese carry a very large grudge against Thailand, since Thailand has opposed North Vietnamese goals with troops and has provided bases for American planes which were attacking North Vietnamese troops and devastating North Vietnam. A price would certainly be exacted from the Thais but the magnitude of the price is unclear.

North Vietnam could easily attack and defeat Thailand unless other powers intervened, but one guesses--and in the absence of further intelligence one can only guess--that the North Vietnamese would not occupy all or most or even a very large part of Thailand. However, they might well be able to impose a change in the Thai government through some

combination of threats and limited military engagements. But if they push too hard or too successfully on Thailand, they will almost certainly bring other pressures into the situation, perhaps American pressures and almost certainly Chinese pressures.

A North Vietnam which had absorbed South Vietnam, Laos and Cambodia and mobilized their populations would be an extremely powerful nation of forty to fifty million people. Moreover, its rejection of Chinese military advice, and its great need for conventional military equipment and economic assistance in the wake of the war, would make it heavily dependent on the Soviet Union. In such a situation China might feel some concern regarding the power of her traditional adversary to the south, and this fear would be reinforced by ideological differences and by the intense conflict with the Soviet Union. China might then take steps to reduce the growth of North Vietnamese influence. North Vietnam would be to China as China is to the Soviet Union, except that the North Vietnamese-Chinese conflict would be more intense because of North Vietnamese ties to the Soviet Union. In such a situation Thailand might be relatively secure. This is discussed in greater detail below.

A third alternative is the gradual erosion by North Vietnam of South Vietnamese territory and political unity over a period of a decade or two, paralleling in some ways the process that has occurred in Laos. In this event the effects on American interests would depend upon the relative rate of development experienced by Thailand and by the North Vietnamese empire. If Thailand's political situation remained relatively stagnant as it did during the 1960s then the consequences would be no different from those outlined in the second scenario above. But a process of political

mobilization is now under way in Thailand which should lead either to development of a relatively cohesive and relatively modern state with extraordinary potential for economic development or else to relatively thorough disintegration. If the Thais do succeed in acquiring strong leadership, political unity and economic development, and if North Vietnam finds itself sapped by a very prolonged struggle for control of South Vietnam, then the present balance of forces in mainland Southeast Asia could change rather dramatically. An extraordinarily successful Thailand might protect itself almost completely from North Vietnamese pressures and could even force North Vietnam to moderate its goals in Laos.

Thailand. If the Vietnam conflict should evolve in a way that leaves North Vietnam in control of Laos, then for North Vietnam to attempt to exact from Thailand some retribution is not inevitable, but it is likely. The form which it would take is difficult to predict. Given this difficulty, it may be useful to start from North Vietnamese capabilities and work back to possible intentions.

In the absence of strong external support for Thailand or dramatic strengthening of Thai political unity and military efficiency, North Vietnamese forces together with other highly disciplined forces conscripted from Indochinese areas conquered by North Vietnam could probably overrun Thailand completely and hold it indefinitely. But North Vietnam has given no evidence that it wishes to do this, and consolidation of this large territory would detract from more important tasks in Vietnam itself. Subversion would be more efficient. Moreover, external powers



would not merely stand by. Japan's economic stake in Thailand will become sufficiently large as this decade progresses that Japan might provide substantial economic aid, as would the U.S. In the absence of a large U.S. presence in continental Southeast Asia, China's policy would be determined by her own power interests (which would be competitive with North Vietnam), by traditional hostility toward North Vietnam, and by competition with the U.S.S.R. (which would probably be North Vietnam's strongest supporter). North Vietnam would have to exert strong pressure on Thailand in order to stir Chinese action, and the PRC might tolerate pressure which simply resulted in a coup displacing those top leaders who sent troops to Laos and gave bases to the U.S. In addition, the PRC might support attempts to insist that the coup leaders call their government "socialist," but the PRC would not necessarily insist on revolutionary change as a condition of support. Containment of North Vietnam would come first, and Japan or the U.S. or both could quite likely exert sufficient diplomatic pressure to prevent revolutionary change and to avoid a Thai foreign policy consistently hostile to the U.S. The PRC would contain North Vietnamese influence in Thailand by economic aid to Thailand, by counterinsurgency or other military training for Thais, and if necessary even by stationing large numbers of troops on the North Vietnamese border.

Such Chinese containment of North Vietnamese influence will not occur if (1) the U.S. military presence in Thailand is so great as to frighten the PRC, (2) Japanese influence in Thailand frightens the PRC, (3) an extreme leftist group dominates the PRC after Mao's death or another cultural revolution is under way, or (4) the threat to Thailand consists

largely of indigenous rebels whom the North Vietnamese support but cannot call off. Thai forces could probably cope with (4).

Alternatively, China could contain North Vietnamese influence in Thailand by becoming the stronger supporter of an indigenous insurgency. This "cooptation" strategy would appear more likely against a severely weakened Thai government, while the "deterrence" strategy seems more likely with a relatively strong Thai government.

Furthermore a Thai government which allows itself to be severely challenged by indigenous forces, or by indigenous forces with material help from foreign sources not threatening to China, will invite Chinese support for an ideologically sympathetic insurgency. Past Chinese foreign policy suggests that China will not pay high costs to impose a Communist government instead of a friendly non-Communist government, but if the costs are low and other things are equal she will of course back the Communist alternative. In such a situation the Thai situation would be little better than the South Vietnamese situation of 1960.

Thailand faces all of the classic problems of the developing nation, and in addition lacks the infrastructure provided elsewhere by colonial powers; she also faces an international situation as treacherous as that of any country in the world. She confronts ethnic diversity without the strong political parties and government required to manage diversity, and she lies tangent to a potential clash of great armies while possessing for protection an army loyal but more adept at politics than battle.

Until 1973 the Thai ruling elite changed very slowly, except for attrition and tightening of control. This created a situation in which the current elite became relatively isolated and vulnerable. In addition,

Thailand's government has been intensely concerned with Bangkok, often at the expense of rural priorities; thus government ties to the countryside are weaker than might otherwise be true.

In October of 1973 the military/bureaucratic government of Thailand was overthrown by students demanding a constitution and a democratic form of government. Robert F. Zimmerman describes this process eloquently:\*

"There is no precedent in Thai history for these events. It must be one of the most significant ironies in recent Southeast Asian history that the students of Bangkok, with their calls for Democracy and a Constitution, quotations from Rousseau, Locke, St. Augustine, Abraham Lincoln et al, were able to mobilize approximately 400,000 active participants, including students from up-country, and accomplish the overthrow of a government which the Communist Party of Thailand, with its quotations from Mao Tse-tung and seven years of active guerrilla psycho-political warfare in the countryside, had never even come close to threatening. At this writing it is unclear how much the communists may have been involved in these events, but they definitely did not instigate, initiate or control them. They were as surprised as everyone else at what had happened. They certainly have no similar record of success through their efforts among the Thai peasants in the rice paddies of Northeast Thailand or the hill tribes of the North. In the end, the thoughts of Mao Tse-tung appear to have had less impact on Thai students and professors than those of Rousseau and Abraham Lincoln. The Thanom-Praphass Government was destroyed not by a communist revolution, but by a democratic revolution led, in part, by the children of its leading bureaucrats."

What the future holds for Thailand remains uncertain. If Thai democracy vacillates as it has in the past, or if the more violent groups within the student movement take the major initiatives, then the military might reassert itself and the net result of the events of October 1973 would be a bureaucratic polity even more isolated than before from the people of Thailand.

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\*Robert F. Zimmerman, "Student 'Revolution' in Thailand: The End of the Thai Bureaucratic Polity?", Asian Survey, Vol. XIV, No. 6 (June 1974), p. 512.

Elements of the Thai situation suggest a much more dramatic turn of events. The dramatic overthrow of the Thai government by relatively moderate democratic elements, who suffered from internal fractionalism, from unwillingness to employ violence, and from attacks by both the left and the right, bears an extraordinarily strong resemblance to the early events of the French and Russian revolutions. In those revolutions the moderates were quickly replaced by radicals and the radicals exploited massive social cleavages to effect a dramatic bloody transformation of the entire society. However there is a crucial difference in the Thai case--namely that the Thai peasantry suffers from few of the inequalities and injustices of the ancient regimes in France and Russia and therefore is not a particularly revolutionary force. Thus massive social revolution is unlikely and in the absence of foreign intervention the principal alternatives are moderately successful but slow democratization or return to military rule. To be successful, democratization will have to bring the peasants into the political system for the first time, to mobilize an urban social base more dependable than student organizations, to spur economic development and to take major initiatives in relations with the PRC, North Vietnam and the United States.

For American interests, the events in Thailand so far are largely auspicious because democratization is always welcome and because for the first time in its history political mobilization seems to be proceeding at a rate that could lead to the emergence of Thailand as a truly modern polity. In addition the present regime may be able to take dramatic initiatives in relations with the PRC and North Vietnam that would avert or minimize future conflict. The new politics in Thailand will also bring some headaches for the United States, however. Protests against American

military bases and Japanese economic influence will probably escalate under the new regime. But these are minor and familiar problems, and even accession to the most rigorous student demands for removal of American military facilities would actually be a tiny price to pay in return for a small, but significant chance of seeing Thailand emerge as a strong independent modern polity rather than remaining domino number four in the game of Indochinese politics.

Indonesia. Indonesia currently enjoys political stability imposed by the military, the absence of internal or external communist threats, and a modicum of economic stability and growth. In the past she has possessed neither the diligent, competent, and honest civil service necessary to run a government efficiently nor the political parties necessary to bind the country together and to provide a sense of political direction. In the Sukarno era it appeared that, despite an abundance of natural resources, Indonesia was simply too big and too diverse and too economically and politically underdeveloped to become a coherent and directed political force without a major domestic upheaval. "Unity and diversity" remained an appealing but impractical slogan.

In the Sukarno era the principal Indonesian objectives had to be (1) obtaining and ensuring independence and (2) creation of at least a minimal sense of national identity. Sukarno made great strides towards these goals. In fact Sukarno made sufficient progress toward these goals that his charismatic style of politics became at least partially obsolete by the mid-1960's. The economic costs of the Sukarno style were becoming unbearably high. The personal weakening of Sukarno and the growing competition between the military and the Communist Party provoked a clash which produced the current military leadership.

Indonesia's military leaders have dramatically improved the economic situation, and have made major administrative and political progress, but still face serious problems which could become worse in the next decade or so. The military has partially substituted for the natural functions of a political party in tying the governmental center to the periphery of society by having in most villages a sergeant who remains aware of local problems and reports regularly. Given the effectiveness of this intelligence system, the government is more likely than its predecessor to perceive problems at an early date and be able to act early if it chooses to do so. In particular, insurgencies are likely to be detected early and this makes regional revolts and ideological insurgencies against the national army as a whole more difficult to sustain. On the other hand, such an organizational structure tends to sensitize local military units to local problems and to politicize much of the armed forces. Thus in a sense the army internalizes the political conflicts and increases the likelihood of future difficulties in maintaining central control over local military units. In addition the central political decision-making center, namely the HANKAM, is put into natural conflict with the leadership of the individual military services, who are in turn divided into the dominant army and the subordinated navy and air force.

The military contains most of Indonesia's trained and effective administrators and a high proportion of Indonesia's intellectual class. There is a tendency for the military to maintain this quasi-monopoly of administrative talent because of the natural gravitation of administrators toward the current source of power, but also because of the Indonesian military's highly professional and highly objective recruiting program. The military



academies are important training centers, and graduates of the academies have an eight-year commitment to military service. Military government has clearly improved administration in Indonesia but nevertheless there remain substantial and widespread charges of serious corruption; the wealthy lifestyle of some of the military leadership is attracting widespread public comment. Given Indonesia's past problems this situation is virtually unavoidable but could grow into a serious problem if it is not kept under careful control. The demonstrations occasioned by Japanese Prime Minister Tanaka's 1974 visit revealed domestic ferment as well as international friction.

Largely because of its poor legacy from the colonial period, Indonesia's economy has lagged far behind most of the rest of insular Asia. As in the political sphere, the current military government has successfully transformed the economic situation to the point where past performance is a completely inadequate guide to future prospects, but nonetheless, serious problems remain. The economy is growing; inflation is not out of control; foreign creditors and investors have been placated and encouraged. But the agricultural network remains inadequate to move Indonesia's agriculture into the modern era. Economic planning and administration are necessarily in the hands of a very small group of adequately trained economists, who must not only bear all of the burdens of high-level decision-making but must even undertake such tasks as checking fertilizer warehouses personally. Foreign investment is encouraged but many feel that the incentives for foreign investment have become excessive; the response of the government to this fear has been fretfulness regarding the role of foreign investment and imposition of excessive red tape on the

activities of foreign investors. Excessive present incentives could stimulate future overreaction against investors. Indonesia has difficulty taking advantage of the competition among different companies and between Japan and the United States because of her lack of competent administrators and because of severe competition among government agencies. Thus some of the mechanisms which would moderate the political impact of foreign investment do not function well. Finally, there is great resentment of the role of the Chinese in the economy but no solid plans for changing that role or moderating resentment of it.

One must also note that economic modernization brings problems with it. In the Sukarno era most of the population was outside the market economy and thus largely unaffected by inflation and recession. Now the population is rapidly joining the market economy and thus economic difficulties will affect the broader population and will take on more profound political implications than in the past.

Indonesia has long perceived itself as the natural leader of all of Southeast Asia, and Indonesian elites concerned with foreign policy now perceive their country as engaged in a long-term struggle with Hanoi for leadership in Southeast Asia. Indonesians are intensely concerned about the likely consequences of any international aid program to reconstruct Indochina, because they see the Vietnamese as possessing certain inherent political and economic advantages in a struggle for leadership or hegemony, and they see ambitious aid programs as giving the Vietnamese insuperable advantages. Whether such an aid program will ever materialize is hard to predict, but to the extent that it does, the Indonesians can be expected to demand that it provide advantages to other Southeast Asian countries as well, and to be deeply distressed if it does not.

Indonesia's political system is fragmented by ethnic differences among Malays and between Malays and Chinese, by tensions between Muslims and Christians, by tensions between the army and the Muslims, and by regional divisions. Her traditional non-Communist political parties have been discredited by unimaginative support of the status quo and her formerly powerful Communist Party has been virtually eradicated. The relatively enlightened rule of the army will no more substitute for the integrating and mobilizing force of a powerful political party or group of parties than has the rule of armies in Pakistan and Burma. Indonesia will not enter the modern world until she has generated one or more such parties. An attempt is being made with Golkar (literally, functional groups) a coalition of former army and government supporters. Golkar won a clear majority in the July 1971 elections and may yet form the basis of a national party.

The Muslim traditionalists have been organized in the Nahdatul Ulama Party, but they have been forcefully opposed by the more progressive Muslims--organized in Natsir's Masjumi Party. Although the "a" in Sukarno's Nasakom (Nationalism-Religion-Communism) stands for Islam, Islamic Masjumi was the main force in the 1957-59 revolt and suffered most from Sukarno's suppression. The Masjumi was outlawed in 1960 and was not permitted to reestablish itself, even under the Suharto regime.

However, elements of the Masjumi were reorganized into a new progressive Muslim Party, Parmusi, while others joined a small but respected Muslim Party, Partai Sjarikat Islam Indonesia.

Islam must therefore be qualified carefully as a political force. It is not Islam that makes Indonesia feel close to Malaysia, but rather the fact of being Malay and of speaking the same language. (The national

language of Indonesia, Bahasa Indonesia, is developed from the Malay which was used as an inter-island lingua franca, and is therefore closer to what is today spoken in Malaysia than it is to Old Javanese.) Nor does Islam seem to make the Indonesians feel particularly friendly to the Arabs or other Muslims, any more than it seems to in the case of Iran and Turkey. The Philippines can in no sense be considered Muslim. There is a small population of "Moro" tribes, largely concentrated on Mindanao Island. But the Philippines are overwhelmingly Christian, having been successfully converted during their long occupation by Spain. The attraction of the Philippines for Indonesia, and the rationale behind the Maphilindo concept, is not that the Filipinos are fellow-Muslims but that they are fellow-Malays.

Until the 1965 coup and its aftermath, from the end of the 2nd World War, the principal political groups in the country were: the PKI (Communist Party), the PNI (Nationalist Party), and the Nahdatul Ulama Party. All three were primarily Java-based. The principal opposition parties were the Masjumi and the Indonesian Socialist Party (under Sjahrir).

The Sukarnoist concept brought together, in effect, the PKI and the PNI (which was more his personal instrument, the real Javanese party) as the power center, with the Army as the principal counter-weight. Sukarno tried to hold the Army under his control partly not to let it develop independent political power on its own and partly to use it as a counter-poise to the PKI. However, he allowed the Army to be penetrated by Communists--to the point that the Air Force was headed by a pro-Communist, Marshall Omar Dani. The mainline army forces, however, were firmly under the control of Nasution, who thus played a critical role in the Sukarno

balance. The Army was also important in the regional balance; it succeeded in winning over or neutralizing the regional and separatist leaders who held back their opposition mainly because they felt the Army was their advocate.

The Opposition was strictly controlled and then, with the 1957 revolt as an excuse, Masjumi and the PSI were outlawed in 1960, and their leaders went into exile (as in the case of Sumitro), were jailed, were placed under house arrest (as in the case of Lubis), or were severely restrained (as in the case of Hatta, Sjahrir, etc.). The Sultan of Jogjakarta was confined to ceremonial, regime-supporting positions.

With the 1965 coup, the exact origin of which still remains fairly obscure, the Army, with the support of KAMI (Indonesian Students Action Association), crushed the communists. Estimates of the dead run between 100,000 and 600,000. Since many local and personal scores were settled the same time, the true figures will probably never be known. A pogrom against the Chinese was thrown in for good measure.

Since that time, the new forces that have emerged are as follows: first and foremost, the Army. The Army not only runs the country, but it also runs or controls most of the key economic operations (for example, Pertamina). In some cases this is well under central government control; in other cases Army generals run their local fiefdoms relatively independently of the central government. By 1972, only four generals remain in the government.

Next, the suppressed PKI. It is illegal, demoralized, driven underground, but its roots run deep in the Javanese countryside. For some reason, it has become one of the main expressions of the Javanese people,

as distinct from the other ethnic groups. It has been destroyed and suppressed several times before--in the West Java revolt of 1926, the Sumatra revolt of 1927, in 1948, and again in 1965--but has always come back strongly. In 1965, just before the coup, it claimed over 3 million party members and over 10 million in its front organization. However one may estimate it, it remains a powerful force, standing ready in the wings, particularly in Java. Whether it can step forth or not depends primarily on whether it can exploit the Army's mistakes or the popular frustrations attributable to the regime.

Third, the PNI. The party continues a tenuous existence, and attempts to maintain the structure of organization it had before, primarily the network of party headquarters and secretariats throughout the countryside. It suffered a major defeat in the July 1971 national elections.

Fourth, the Muslim parties. Four Islamic parties contested the July 1971 from widely differing platforms. The PSII, the Parmusi (Partia Muslimin Indonesia) are pro-government, while the old N.U. and the new Partai Islam Perti generally oppose the government. Nahdatul Ulama remains the strongest Islamic party but it is divided into several factions which oppose each other fiercely. As a result of this, the party's policy remains uncertain and opinions are divided even on crucial questions such as the attitude the N.U. should take to the idea of the military as a political force.

Next to former military people most of the Cabinet is dominated by technocrats who form an "inner circle" dedicated to economic development. Suharto inherited from the Sukarno days a swollen, virtually useless entrenched bureaucracy that cannot be moved. In order to get things moving, he has brought in the "economists" and "technocrats," even going to the universities when necessary to get them. Thus the academic intellectual's



virtually run the country, holding government positions alongside their university posts. The danger, of course, is that they are likely to be blamed for the economic failures of the regime.

It is clear that the principal possibility of breakdown is a weakening of Army unity. The failure of the regime to fulfill its economic promises will provide ammunition for the opposition. Paradoxically, economic performance did not affect Sukarno. Although he talked socialism and five-year plans, it was widely understood that this was mainly symbolic. His support rose, even though the economy virtually disintegrated during the latter years of his rule, because people looked to him for the mystical, exalting nationalism that he offered and the sense of continuity with the great Madjapahit kings of Java. (In his last years, he "discovered that one of his ancestors was Gadjah Mada, the legendary Grand Minister of the Madjapahit emperors.") However, since the Suharto regime has made such a point of its practicality (by contrast with the rhetoric of Sukarno), they are in effect asking to be judged on their economic performance. This makes them more vulnerable on this kind of issue than Sukarno.

By the 1980s an overt or covert successor to the Indonesian Communist Party will almost certainly have arisen. The most recent devastation of the Communist Party was not the first such devastation, but it might be the last unless a real political alternative arises. Previously, the Sukarno regime had the support of a mass political party augmented by Sukarno's personal following. Such a coalition, together with the army, could counterbalance the PKI, but an army by itself is not an adequate counterbalance, as Chiang Kai-shek discovered after 1945. Time and patience may be too short in Indonesia for establishment and institutionalization of

a democratic party system. In addition, such a party system would in all probability be a weak, immobilist, multi-party system, inadequate to govern such a diverse country. The alternative to eventual rule by the PKI may therefore be the creation of a strong, nationalistic, non-Communist, single party which would rule with the support of the army, but be organizationally distinct from the army. A fanaticai Muslim party based on the Dar Ul Islam movement is one serious but bloody possibility.

Malaysia. The Malaysian Federation appears to remain one of the most stable, free and prosperous countries of Asia. Its 1970 GNP was \$4.17 billion and 1971 growth rate was 5%. Its progress has been attributed primarily to a favorable ratio of population to resources, large capital investments and a good, competent administration. Yet from the inception there were real and potential problems which could, given some upheavals, result in the negation of the progress made since independence. Malaysia has been overly dependent upon two mature industries, rubber and tin. Only recently has it been trying to develop petroleum and minerals as major export items. But the main problem is the ethnic composition of the country. Malaysia is a multi-racial country. West Malaysia has about 53% Malays, 34% Chinese and 11% Indians; while East Malaysia had 31% Chinese in Sarawak and 23% Chinese in Sabah, 29% Ibans (Sea Dayaks) and 6% Land Dayaks, 50% Dusuns in Sabah, 18% Muruts in Sarawak and assorted other minorities. Many of these varied minorities have remained suspicious of the benefits of amalgamation. Each of the communal groups, encapsulated for generations within its own culture and tradition, has feared the eventual "political" domination of the Malays or the economic domination of the Chinese. Old rights and prerogatives are seen to be in danger.

Tensions exist below the surface and it is difficult to gauge the strength of the fears and resentments which linger.

Malaysian leaders have recognized that achieving national unity in any cultural sense would take at least a generation. In the short run, the problem has been to develop and maintain a formula of cooperation between the communities so that they can live in peace. Essential to a solution of the problem were better economic and social opportunities for the Malays. Equally essential in finding a solution was assuring Malayan Chinese and Indians that they do have a place and a role in the developing federation. To achieve this, non-Malay leaders have argued that they must share political power with the Malays. As for the Chinese, they wanted to preserve their language, schools and some degree of their cultural traditions. Traditional political leaders (sultans) have also required reassurance of continuing in order to prevent regional fragmentation.

The Federation's first Prime Minister, Tunku Abdul Rahman, mindful of the ethnic and cultural diversities of the country, ruled through the Alliance Party based on a coalition between the major Malay party, the United Malays National Organization (UMNO), the Malayan Chinese Association (MCA) and the Malayan Indian Congress (MIC).

In the 1960's, the Alliance was the only political organization capable of conducting a truly national campaign, forming a government and carrying on the functions of government. The party embraced almost all varieties of Malay opinion and was a fragile coalition of diverse economic, social, political and ethnic forces bound together by self-interest. The moderate left opposition was splintered among the Democratic Action Party (DAP), the People's Progressive Party (PPP) and the Gerakan Rakyat Malaysia (GRM) (Malaysian People's Movement).

On May 10, 1969, Malaysia held its third general election since Independence. The campaign was marred by several fatal incidents, amid a heightening of communal tension which polarized with the assistance of economic and social discontent into a Malay vs. Chinese "rights" situation. Political stability and economic progress were based on a shaky pillar: the willingness of the Malayan Chinese to accept preferential treatment given by the Government to the native Malays and to allow the MCA to represent their views within the ruling Alliance Party.

The Government party was very surprised to get only 49% of the electoral vote (as opposed to 57% in the 1964 election).

Rejected by its own Chinese constituency, losing 14 out of 28 seats it held, the MCA decided to withdraw from the Cabinet. This decision set the stage for violence, as supporters of the Chinese-dominated DAP and GRM proceeded to stage victory parades on May 11 and 12 through the streets of Kuala Lumpur. In their excitement, some young Chinese taunted Malay bystanders, boasting they would soon take over the Government. The next day, on May 13, the Malays staged a counter-demonstration which soon degenerated into an anti-Chinese rampage. A state of emergency was declared and the army was ordered to restore order. But the predominantly Malay soldiers did little to stop the looting of Chinese property and the beating up of Chinese families. Official statistics revealed that 196 people died during the May 13 riots, but unofficial estimates ran as high as 2,000, over two-thirds of them Chinese. Parliament was suspended and full executive authority was given to the then Deputy Premier Tun Abdul Razak, who ruled through a National Operations Council. It appeared that the dream of the successful multiracial federation had collapsed with the May 13 riots.

Tun Abdul Razak took office as Premier on October 6, 1970 and moved to bring about a return to communal peace. The task of directing the country out of the impasse created by the May 1969 riots called for inspired political leadership and it seems that the Premier succeeded to a considerable degree. Much of the credit must go to the performance of the economy, which prospered as the necessary confidence, both internal and external, was established.

Razak built up his political support in the days when, as the Tunku's right-hand man, he established grass-roots ties with the countryside. As leader of UMNO, he keeps continuously in touch with the voters that form the party's power base. It can be said that Malaysia is now ruled effectively by a triumvirate. While Razak projects a balanced multiracial image, his Deputy Premier, Tun Ismail, leans toward pro-Malay positions. The third man who makes up the triumvirate is Tan Sri Ghazali Shafie, the Minister of Special Functions, who is credited with the formulation of the new economic policy enshrined in the Second Plan and of the plans for the "restructuring of society."

The Second Five Year Plan (1971-75) aims at important political goals in addition to general economic development. The Plan proposes a total investment of nearly \$5 billion by 1975, equally divided between public and private sectors. It aims at a growth rate of 6.5% and at doubling industrial production to account for over a fourth of the GNP by 1975. On another level, the Plan constitutes a vital part of the government's efforts to gradually overcome the tensions among Malaysia's racial groups through a cultural and economic policy aimed at national integration and a more equitable income distribution.

In Malaysia the potential undesirable effects of innovation generally appear less in the foreign policy area, and it was thus not surprising that Razak chose this area to propose a new direction for Malaysia. The objective of neutralization of Southeast Asia became the cornerstone of Malaysian foreign policy. At the U.N., meetings of ASEAN and other international gatherings, Malaysian spokesmen have been promoting one line: Malaysian pledged non-alignment in return for the big powers' abstention from military and political intervention in Southeast Asian affairs. Within the ASEAN organization, the Malaysian policy has been at odds with the views of Singapore and Indonesia, who appear to regard some degree of big power involvement in Southeast Asia as by no means necessarily bad.

Razak initiated a detente with China, and supported China's admission to the U.N. Earlier, he had opened Malaysian markets to Soviet goods and sought to expand ties to Russia.

The British withdrawal in 1971 from Malaysia and Singapore created a major headache for the two countries. The Malaysians never had an interest in SEATO, given their defense pact with Britain. While the American withdrawal from Indochina caused deep concern, Malaysia has expressed no interest in any U.S. military aid. At the same time, Malaysian support of neutrality is not anti-American and is interpreted by most Malaysians as a long-range policy consistent with substantial medium-term American presence and guarantees in the region. While pursuing a policy of neutralization of Southeast Asia, the Malaysian government also favored local defense arrangements such as what Abdul Rahman called a "web of interlocking arrangements." Such "arrangements" exist with Thailand and Indonesia in the joint pursuit of guerrillas on the borders with these two countries.



In the spring of 1972, Malaysia and Indonesia adopted a common policy regarding the Malacca Straits. They stated that the Straits were not an international waterway and some Malaysian officials even came up with a suggestion to impose a toll on ships that pass through the Straits. This controversial move conflicted sharply with American, Japanese, and even U.S.S.R. interests, and a settlement of the issue is not at hand. The Japanese are particularly dependent upon the Straits, and diversifying and ensuring their lines of supply has necessarily become an important and very sensitive object of Japanese policy.

What of the future of Malaysia? The government is virtually run by Malays and it is likely that enlightened leaders will eventually realize that the present party makeup could result in continued racial friction, since communal parties must appeal to communal interests. A party's success at the polls has a direct relationship to the number of racial promises it makes to any one community, irrespective of its ability to keep them. A multiracial coalition will perhaps see the light of day within a decade or two.

Malaysia's problems will probably remain unsolved throughout the 1970's. Until Malays are able to get their proper share of the country's weal and benefits, progress will continue to rest on an insecure political foundation. A number of measures have been taken to appease Malay discontent--for instance, increased use of Malay as the national language and work permits for non-citizens--but if they still feel they are being left behind by the Chinese and the Indians, another May 13th is more than likely. The Malays, with their own political and religious system and a subsistence agrarian economy, tolerated Chinese and Indian immigrants

for many decades, but probably never imagined them as a permanent feature of society and an ultimate threat to their own numerical superiority. Although 1.5 million ethnic Chinese and Indians became citizens between Independence in 1957 and 1960, most Malays continue to think of them as aliens and are skeptical of their loyalty to Malaysia. This feeling was strengthened during the Communist Emergency (1948-60) when most of the guerrillas were Chinese.

Malays were accorded "special rights" in the 1957 Constitution, designed to help them catch up with the economically advanced Chinese. In fact, these rights did little to improve the Malays' status and were more important as a symbol of "Malay dominance." Islam and the Malay language were also important as the backstop of Malay morale in the face of growing Chinese economic power. Educated Malays realize that the "special rights" are a slur on the capacity of their countrymen but realize that something must be done to reduce the glaring economic differences. The major problem lies with Malays who are sufficiently educated to want to abandon rural life and are attracted to the big city where they cannot find jobs and become aware of the Chinese wealth. Unemployment remains Malaysia's largest single economic problem.

While seeking an accommodation of communal, economic and political interests in the short run, Malaysian leaders have looked to educational policy as the chief means of creating the popular unity ultimately necessary to assure a modern, strong state. It will take at least a generation or longer to bring up Malaysians of varied ethnic origins who could think and act in the best interests of their country, rather than of their community.

Singapore\* is an extremely impressive little country by comparison with her Southeast Asian neighbors. Singapore's success testifies to the fact that small size can be an enormous strength as well as a weakness. Singapore's success is based on the hard work ethic of Chinese culture together with very effective government. The small size of the country and the high level of training which Singaporean administrators received prior to independence make possible extremely effective rule. Whereas elsewhere in Southeast Asia corruption and efficiency tend to be dealt with through a proliferation of endless rules and red tape, in Singapore the level of competence and the size of the bureaucracies have made it possible to deal with these problems simply by appointing honest and effective administrators and providing them with great autonomy and authority. Singaporean administrators face very few detailed rules. Instead they are simply fired if they are ineffective and dealt with in an extremely hard fashion if they are found to be the least bit corrupt. Such a system would not work in a huge country like Indonesia or in a country where the typical administrator was not so well trained as in Singapore. But given that the preconditions of such a foreign administration are present this form seems to be far more dynamic and effective than the attempt to control society through endless rules.

Singapore's success and mode of rule derive from the success and mode of rule of Lee Kwan Yew. Lee believes in strong personal rule based on a minimum of red tape and so it is not surprising that he has formed a government consisting of pieces of bureaucracies which are ruled in this

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\*Cf. comments on Singapore in the above chapter on "The Rise of the Pacific Basin."

fashion. The rule of Lee follows a previous period in which corruption and inefficiency, more in line with the Southeast Asian norm, were the rule in Singapore. However, the success in cleaning up these problems does not necessarily imply that the successes of Singapore can be duplicated by a similar means elsewhere without the trained administrators and without the reduced level of problems that comes with ruling a city-state rather than a nation-state. The personalized unbureaucratic rule independent of political parties might not work nearly so well.

Lee has managed to revitalize labor unions which were previously corrupt and subject to substantial communist influence. He has done this both through using men who were extremely effective organizers and (in the familiar pattern of American labor union development), through employment of a variety of insurance policies and other side payments unrelated to the basic labor issues. Mandatory arbitration has been successfully imposed on all of the unions in the country with great advantage to the economy.

Lee has solved the problem of subversion through means which are rather unorthodox in countries that seek to be relatively democratic. In particular he has made extensive use of detention camps which are used in ways that are in a technical legal sense arbitrary but which have apparently been used in a moderate manner acceptable to the population. There is no question that the existence of such detention camps diminishes the degree of formal democracy in the society, but the degree of their use in a moderate and restrained manner may be a better solution to the problem of subversion of democracies than would be complete abandonment of all democratic procedures in favor of military rule.

For domestic, economic and international political reasons Singapore is rapidly reducing its role as an entrepot and moving into manufacturing. In the medium run Singapore expects ship building to be its biggest industry, and in the long run Singapore expects to perform as a major administrative center, financial center and "think tank" for all of the Pacific Basin. Singapore's extraordinary economic growth seems likely to continue and for the time being it is rapidly improving the quality of life for its population. However, Singapore is so small that a rapidly rising economy and population could over the long run force most of her people into terribly crowded beehive-like apartments on an island that would be almost totally urban. Such a situation is not a necessary concomitant of economic success but it could happen and could bring with it expansion of social unrest if not kept under control.

Internationally Singapore's main problems result from Southeast Asian resentment of overseas Chinese and resentment of her profitable role as an entrepot. Indonesian and Malaysian resentment of Overseas Chinese economic success is intense, and Singapore is perceived both as an unfairly successful economic competitor and as an outpost of a potentially hostile China. Singapore is working very hard to develop an independent Southeast Asian identity as opposed merely to an Overseas Chinese identity and is trying to reduce its dependence on transshipment. These policies will mitigate conflicts with her neighbors but can never be expected to eliminate ethnic resentment and some economic resentments. Indeed it will be just as easy to resent Singapore in the role of administrative and financial center as it has been in the role of entrepot.

Malaysia and Indonesia are both attempting to squeeze Singapore out of much of its role as a transshipment point for goods from their countries. In addition Malaysia and Indonesia are attempting to squeeze Overseas Chinese within their two countries out of their traditionally dominant role in the Malaysian and Indonesian economies. And Singapore fears that this will cause ethnic strife possibly in an ideological form which might one day overflow into Singapore. In addition senior Singapore administrators invariably express a very strong fear that the Indochina conflict will be resolved in a way which will bring direct North Vietnamese pressure on Thailand and that the Thai government will be forced to capitulate in a way that would lead to heavy communist infiltration of Malaysian-Chinese communities from Thailand and to Thai provision of a major sanctuary for communist-Malaysian insurgents. These Singapore leaders believe that much of the Chinese community in Malaysia could be organized into a revolutionary insurgency which would quickly spill over into Singapore because of ethnic ties.

Singapore's defense policy is organized around what her military refer to as the "poisoned prawn" policy of possessing a defense establishment which is small but exceedingly tough. The analogy between Singapore and Israel is quite applicable and in fact Singapore recognizes this analogy and employs a number of Israeli advisors for this reason. Singapore employs military advisors from a variety of sources and keeps herself independent of any particular source. Given the limitations imposed by size this military concept appears to be as adequate as its highly successful economic and political counterparts in Singapore.



The Philippines.\* From World War II until the 1971 declaration of martial law the Philippines possessed a stable and democratic government. That democratic government is now widely regarded in the Philippines and abroad as having failed because it did not solve crucial problems of corruption, land reform, social inequality and excessive population growth, and above all because it was eventually replaced by martial law. Since the Philippines were frequently regarded prior to the late 1960's as an outstanding example of democracy in a developing country, the judgment that democracy in the Philippines was a severe failure has broad implications for the feasibility of democracy elsewhere in Asia and elsewhere in the developing world. For this reason it is important to put the Philippine situation into perspective.

It is not surprising for a developing country to find itself inhibited in solving key problems, and it is not surprising for some political instability to occur. The key question one must ask in assessing success or failure from the viewpoint of stability must therefore not be absolute but relative. When one looks at the question of stability from this perspective it appears that the Philippines were the most stable country in Southeast Asia if one excludes Australia and New Zealand (which are clearly special cases). Moreover it is noteworthy how carefully President Marcos had to maneuver to make his imposition of martial law, and his transition to a period of one-man rule between two constitutions, appear to be in conformity with constitutional requirements. Public opinion in the Philippines was strongly committed to constitutional rule and in fact a

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\*For detailed comments on the Philippines, see the Appendix by William H. Overholt on "Martial Law, Revolution and Democracy in the Philippines."

referendum approving martial law was obtainable only through severe inhibitions on the ability of opponents and opposition organizations to make their case.

The other indicators of success or failure of the government of a developing nation are literacy, freedom, economic growth, and the like. On each of these indicators one is hard put to find countries with problems of a similar magnitude which were equally successful in solving the problems. Corruption existed, to be sure, but was probably thought to be more prevalent than elsewhere largely because the free press publicized and exaggerated corruption. Excessive population growth was not curtailed by the democratic government but enormous changes in public attitudes and governmental policies had occurred and it is not at all clear that the present government has done anything which could not have been done under a democratic regime. Indeed most of the initiatives which have been undertaken in this field were developing rapidly under the democratic regime of the first constitution and the second constitution includes a constitutional requirement for the government to maintain optimal population levels--a utopian requirement but one which indicates the degree of transformation in public opinion. An indicator of the importance of the democratic system is, that despite ethnic tensions as great as those anywhere in the world, the Philippines maintained peace with combined armed forces and national police (army, navy, air force and constabulary) totaling only 60,000 in a country which now has about 40 million people. The onset of martial law immediately stimulated a major Muslim revolt in the South of the country where previously there had been important

skirmishes between Christian settled farmers and Muslim groups with incompatible concepts of ownership. At the same time, corruption, maladministration, land inequality, and other forms of social inequality, were definitely problems which seemed beyond the ability of the government to solve in short periods of time.

Martial law has at least temporarily improved governmental performance and with it the administration of essential public services such as sanitation and maintenance of law and order. Reorganization of parts of the government has eliminated substantial corruption but has mostly affected corrupt practices at the lower and middle levels rather than at the top. After initial fears domestic business confidence has improved and foreign investors have been attracted. At the end of 1973 urban public confidence in the administration of President Marcos had become higher than it had been in many years. But youth, the Catholic Church, and Muslim groups remain severely hostile, and the society seems to be polarizing.

President Marcos intends to remain in office and to refrain from implementing the new constitution at least until 1976. If he uses the intervening time to implement further sweeping transformations of the bureaucracy and to implement an extremely vigorous land reform program, and if he then moves very sharply back to a democratic system of government, it is conceivable that a smooth transition back to democracy could be made under more auspicious conditions of governmental competence and social equality than was true in the past. On the other hand, the technocrats currently in power will be reluctant to relinquish their role. The political parties upon which Philippine stability rested necessarily will atrophy during a five-year period of inactivity, and it is not clear



that the weakened parties could successfully restore their role given intense opposition from the technocrats. Technocratic antagonism to loss of political power and to partial restoration of the bargaining system which undermined their role prior to martial law could produce an early revolt against a reestablished democratic regime. Political discontent could lead to insurgencies and other difficulties which would provide the government with an excuse for refusing to implement the new constitution even in the middle or late 1970's. Finally, if President Marcos were to become incapacitated or to be assassinated, a period of chaos could ensue.

In 1973 and 1974 it became clear that Marcos faced a fundamental political contradiction between his stated goals of land reform and his technocratic political base. Marcos' political success to date has been based upon a constituency of middle class Army and civilian technocrats devoted to administrative efficiency and law and order, whereas the previous democratic political system had rested upon peasant, elite, and conservative middle class support of a system dominated by democratic political entrepreneurs. Marcos' coup was a revolt of the technocrats, with their emphasis on a logic of administrative efficiency, against the democratic political system, with its emphasis on a conservative logic of bargaining and political favors. The continuation in power of the martial law regime depends upon Marcos' ability to successfully impose technocratic efficiency while not alienating the large groups upon which the previous system was based. He can only do this by offering greater social justice as well as greater administrative efficiency and the heart of his social justice program is a massive land reform. The first part of this land reform, directed at the

largest landholders, has been carried through, but it has become clear that most of the landlords in the Philippines are small holders and that these small holders include much of the technocratic elite supporting Marcos. University professors, government bureaucrats, and others of similar status in the Philippines typically own small amounts of land (e.g. 5-24 hectares) in order to supplement their income and to provide income after retirement. Thus, in order to push the land reform to the extent thought necessary by most domestic and foreign observers, Marcos must severely damage the interests of members of his own political base. The speed and tactics with which he attacks this problem will constitute the principal determinant of his future and the future of the Philippines.

Given a thorough reform of the bureaucracies and a thorough land-reform program, followed by restoration of democratic rule, the Philippines could conceivably go on to become the most politically integrated and stable country of Southeast Asia except for Australia and New Zealand. It could then take on a regional role disproportionate to its size. On the other hand any of a wide variety of missteps could place the Philippines in a spiral of rising public discontent and repressive government action which causes further discontent.

American bases in the Philippines have long been a target of the Filipino nationalism and a Philippine government faced by rising problems could easily expand its urban public support rapidly by focusing attention on demands for high rents for the bases or removal of the bases. And in fact demands for rents on the bases or for their equivalent in terms of

some form of aid should be expected as a matter of course. A secondary target of nationalism could be the Philippines' claims to Sabah which have occasionally flared up in the past.

Australia and New Zealand. Australia's racial, linguistic, and political homogeneity provide potential for long-term social and political stability, and this potential is realized through an effective central government and through parties which tie the population to its government. Flexibility in reacting to altered conditions is assured through a competitive political system. Australia has close ties and overlapping interests with its only developed neighbor, New Zealand, and can defend herself with relative ease against her less developed neighbors. The large Communist powers are distant and preoccupied elsewhere. The U.S. is friendly and Japan's economic expansion is tied to Australian resources. No country can predict perfect security and stability a decade hence, but Australia comes as close as any in the world. The comments below must be interpreted with this happy perspective in mind.

Australia has traditionally relied on British and American security ties and political orientations. But security ties to Britain will be only vague memories in 1982, and an inward-looking Europe will offer no substitutes. Nonetheless London and the U.S. will continue to drain off many of Australia's most talented people. The U.S. in 1982 will probably remain a power in the area and Australia will seek to maximize U.S. commitments to Australian defense (while--especially under the Labor Government--minimizing its own commitments), but the U.S. is unlikely to increase its security ties and may decrease them. Australia in the 1980s will possess



a predominantly Asian security perspective and will have her future tied--for better or worse, and not by choice--to Japan.

Japan's imports from Australia ensure continued Australian development and Japanese dependence on such key resources as Australian iron ore makes likely (but not certain) a friendly Japanese political countenance. Japan and Australia share internal stability and common interests in development, trade expansion, freedom of air and sea communications, anti-Communism, and general stability in Asia. Economic friction will occur, but is not likely to be severe. Defense cooperation in the 1980s is quite possible in some (probably limited) degree. This cooperation could include: cooperative planning, a joint maritime patrol force, Japanese construction and financing of an Australian navy, replacement by Japan and Australia of part of the U.S. Seventh Fleet, or even formal alliance. Since both Japan and Australia have strong interests in both Pacific and Indian Oceans, such arrangements might cover much of both areas. A Japan which felt significantly threatened might even--probably in the more distant future--give additional consideration to the possibility of nuclear cooperation with Australia.

Such friendly ties are the most probable future for Japan and Australia. But Australia's fears of foreign threats were sired by Japan, and if a new hostile government should come to power in Japan, or in the unlikely event that a maverick Japan decided to create a new economic version of the co-prosperity sphere, Australia would become a focal point of resistance or suffer a drastic loss of morale. Australians will continue to fear such a Japan, and projection of residual fears from World War II seems the only explanation for Australians' continued unrealistic projections of a threat from China.

Australians will continue to fear disorder or hostility from Southeast Asia, but Southeast Asian countries at their worst seem likely to be more a nuisance than a threat. Asians generally resent Australia's immigration policies, but lack the wherewithal to influence those policies. The Whitlam government is easing the policies. Indonesia possesses expansionist and hegemonic aspirations, and may once again be threatened by a strong Communist party in the 1980s. Moreover there is a possibility of recurrent Indonesian clashes with Malaysia or Singapore in which Australia would support the latter, and of strong differences regarding politics in Papua-New Guinea (including refugees, pan-New Guinea sentiment which would threaten Indonesian control of West Irian, and various border disputes). But Indonesia lacks the power to become a serious threat to Australia.

Despite the absence of likely threats, Australia will likely remain involved at least weakly in regional defense efforts, including especially her security ties to Malaysia and Singapore. These efforts are justified by moral and historical ties, by avoidance of potential commercial and political inconvenience, and by desire to retain the gratitude of Britain and the U.S., as well as by less convincing appeals to physical security. Increasing resources and the increasing regional importance of Singapore, which may become the financial and administrative capital of the area, will tend to induce stronger ties, but increasing awareness of the dangers of military involvement in countries like Malaysia, together with a possible sense of futility if U.S. military support seems unavailable, may produce pressures for further reduction of security ties. Whichever pressures dominate, the range

of decision seems likely to be so narrow as to make very little difference to Australia. But Australian support, or use of Australia as a channel for Japanese or American support, could conceivably have some effect on the stability or orientation of Malaysia, Indonesia, or Singapore. And given unwise decisions Australia could embroil herself in an expensive and unproductive little intervention.

Australia can develop nuclear weapons by the 1980s if she wishes, but her closely confined population makes her so vulnerable--despite the vast expanse of Australia--that development of nuclear weapons against any other target than equally vulnerable Japan would be counterproductive.

Australia in the 1980s will probably be like Australia in the 1970s. New Zealand is likely to follow Australia with only minor policy differences.

India and the Indian Ocean. India is a huge country, with the world's second largest population, and her most prominent strengths and weaknesses derive from her size. Her large population provides the base for a large army, but also makes management of the country unwieldy almost to the point of disintegration. Her economy supports a large army but barely keeps the population above subsistence. These central problems will persist; by 1982 her population will be around 740 million and her GNP per capita will be only about \$125 (U.S. dollars).

India's stability has been assured by: (1) democracy, which draws popular support to the government and forces the government to be somewhat responsive to popular moods; (2) a dominant Congress Party, which prevents the large system from degenerating into the immobilism of dozens of minority parties; and (3) a loyal and internally strong army. The weak link in this

system is the Congress Party, whose unity derived originally from common desire for independence but which now obtains unity largely from common but competitive ambition. Serious weakening of the Congress Party could produce an immobilist government. In turn immobilist government could precipitate military intervention. But the army lacks the political wherewithal to run the country, and once it began making political decisions it would become divided by the same ethnic and political issues which divide the country.

Strong regional ethno-linguistic groups represent the primary threat to Indian stability. Some of them have succeeded in consolidating their positions by such means as having provincial boundaries drawn along ethnic lines. The Indian Army is capable of putting down any single revolt, but could not necessarily handle two or three simultaneously. The most salient points of the subcontinent's recent history consist of failures to contain ethnic conflict and revolt. First Pakistan split away from India, then Bangladesh from Pakistan. Future historians may see these as the initial steps in the disintegration of the subcontinent into an Asian area like the Balkans. The next step may be a revolt in Calcutta designed to unify Bengali Indian areas with Bangladesh. Such a process would present repeated threats to world political stability; if the rate of the process were to increase, then disintegration of India would become the focus of great power relationships in all of Asia just as the turbulence of Indochina has dominated the last fifteen years. Conceivably a neo-colonial system like the one surrounding China in the 1920's would arise.

On the other hand, it is also possible that some combination of success of Congress Party policies, strong army intervention to quell revolts, and external assistance will maintain India's territorial integrity. Both the

U.S. and the U.S.S.R. will endeavor to maintain India's unity and they will have considerable, but not dominant, influence.

India now dominates the subcontinent and feels more confident in imposing her will. A Pakistan so thoroughly defeated that it cannot hope to raise old issues seriously again in this century (unless India disintegrates far more rapidly than seems within reason) will turn much of her attention to the Middle East. India might intervene in Pakistan or Bangladesh or (less likely) in one of the small states on China's border, and might even attempt to incorporate one of them. Indeed Bengali nationalism may force India to incorporate Bangladesh in order to forestall secession of West Bengal.

If India remains stable it is not likely to become the pawn of any other country, but it will lean in one direction or another. Given the Indo-Soviet treaty, its most likely direction to lean is toward the U.S.S.R., but excessive U.S.S.R. presence or pressure will lead to counterreaction (as in Egypt) and any fundamental change in the international system could change this weak alignment. For instance, if Japan were to rearm rapidly, the Sino-Soviet split might very well heal, and in this case India would move toward the U.S. (or, less likely until the late 1980's, toward Japan).

In Indian eyes the Indo-Soviet treaty is directed at China, and in Russian eyes it is directed at the U.S. and China. The treaty is the most important link in a Soviet attempt to create an Asian Security System intended to contain China and to replace dwindling U.S. influence in South and Southeast Asia. Perhaps the most substantial gain the U.S.S.R. could make via the treaty would be increased Indian tolerance or support of Russian activities in the Indian Ocean. The Russian naval presence

(1) maintains one link in the U.S.S.R.'s encirclement of China, (2) enables the U.S.S.R. to influence political turmoil in India whenever that turmoil should occur, (3) puts the U.S.S.R. fleet across Japan's most vital lines of communication at a point distant from the Japanese and American forces which would cope with such a threat, and (4) provides a position from which to watch movements of U.S. nuclear submarines--if submarines are deployed and if appropriate ASW is developed. (1) and (4) are currently relatively unimportant, but (2) could become crucial, and (3) is central to the structure of the whole world system. Moreover, opening of the Suez Canal disproportionately augments U.S.S.R. capabilities in the Indian Ocean. On the other hand, the U.S. can relatively quickly and easily dispatch a carrier from the Seventh Fleet to cope with a threat to Japan's lines of communication, and in this case the U.S. threat would be credible. Thus the primary consequence of (3) may be to put India into a hostile relationship with Japan, a relationship which could be important in the 1980s. The primary significance of the Indian Ocean fleets, then, is political influence in local and world affairs rather than direct military power.

India in the late 1970s promises to be sluggish, uninspiring and perhaps unstable. She may be expansionist in foreign policy while suffering from internal disintegration. This latter possibility raises a final danger. India can develop nuclear weapons at any time and if she does so she will be the first nuclear state which suffers from such severe internal instability. (We do not regard Chinese purges as indicating fundamental instability.) Indian nuclear weapons will stimulate nuclear weapons development elsewhere and perhaps more important will raise the possibility that Indian commanders will use nuclear weapons in an internal or external crisis.



## V. SOME REGIONAL FORCES AND REGIONAL SYSTEMS

Whereas the last chapter surveyed forces and policies within individual countries, this chapter looks at forces which are not confined to a single country, and then suggests some relatively abstract alternative ways in which the international "system" of a future eastern Asia might be conceptualized. The most important regional force, namely the economic development of the Pacific Basin, has already been outlined in the first chapter and we shall not repeat that analysis here, but we should keep in mind the rise of the Pacific Basin as the context within which other developments occur.

### A. Regional Forces

#### 1. Regionalism

Regionalism has come to attention as a possible alternative to American military guarantees for the non-Communist countries of Asia. The combined resources of Southeast Asian countries, or of Southeast Asia together with Taiwan, or even of Southeast and Northeast Asian non-Communist countries are quite substantial. It is natural to muse on the possibility of combining these resources in some way to guarantee the security of all or most of the countries of the area.

Forming the non-Communist countries of the region into a military alliance, overt or covert, is not likely to succeed. The root of the problem can be suggested by an analogy with the military draft. Given moderately patriotic citizens and a serious threat, all of the citizens might vote for a draft. On the other hand if one simply asked for volunteers each man could reasonably argue that if the others volunteered then the

job would be done and his own small contribution would make no difference; on the other hand if the others did not volunteer then all would be lost regardless of his sacrifice. This is largely what happens among the countries of Eastern Asia and the problem is exacerbated by comparison with the draft problem because non-Communist Southeast Asian countries lack the interaction and sense of common identity which alone could give the call for volunteers either among countries or among nations any hope of succeeding. There is no immediate possibility of instituting an equivalent of the draft for Southeast Asian countries because there is no regional government capable of enforcing compliance with such a draft. Moreover successful creation of such a draft or of a set of commitments somehow equivalent to a draft could easily increase the threat against which the alliance was directed, and this possibility of provoking an increased threat also tends to deter formation of alliances.

In the past this problem has been solved by the fact that there was one power, namely the United States, which was capable of bearing all or most of the costs of collective defense and willing to bear those costs. Moreover the United States had non-military means with which to stimulate interest in collective security. Those non-military means are not by themselves sufficient, and the United States is currently inclined to decrease foreign aid, ameliorate balance of payments problems, and reduce the one-sided nature of the past military commitments. Japan's economy is increasingly capable of supporting a take-over of some American military responsibility and in the long run Japan may very well decide that she has security interests in the region which justify some Southeast Asian military commitments. However Japan is not willing at this time to pick up American military chips in Southeast Asia, and any shock which was so

powerful as to change her mind on this fundamental issue of overseas defense commitments would almost certainly consist of a falling out with the United States or of a Chinese or Russian threat which might gain credibility by convincing the Japanese that the alliance with the United States was a straw man. In other words, such a shock would more likely array Japan against the United States than with the United States.

This does not mean that regional military efforts are worthless. It merely sets limits on what those efforts can attain in the absence of strong American commitments. If the consequences of the Vietnam War include the preservation of an independent South Vietnam, then even a relatively ambiguous American commitment in the area may substantially deter threats and buttress regional efforts without great economic cost to the United States. In addition the United States can buttress regional defense efforts without committing itself excessively by giving military aid indirectly; for instance, the United States might give aid to Australia which in turn would support Malaysia, which in turn would contribute to the defense of Singapore. In addition to minimizing public U.S. commitment to particular countries in the region, such a system could reduce resentment and fear of "imperialism" in some of the recipient countries.

Often two or three countries will want to cooperate in a specific situation even though a larger number of countries will not want to make a generalized long-term commitment. For instance, Malaysia and Thailand may want to cooperate with regard to their mutual guerrilla problems, and several of the insular states might want to cooperate to reduce arms smuggling or more serious activities which could eventually become threatening. It is difficult to predict in advance which countries will wish to cooperate in which particular situations, but it is in the interest of the

United States and regional security to increase the technical ability of the countries of the region to cooperate should they wish to do so. Here the United States can make a critical contribution by arranging training programs in which military officers from different countries come together and receive similar training, by supporting the exercises in which the armed forces of two or more countries work together and thus develop a capacity for cooperation, and by encouraging the creation of forces which are compatible for operations involving more than one country.

Military regionalism is of course not the only kind of regionalism. Policies for this area should bear in mind the division of the area into strategic and cultural regions. Of more immediate importance are various forms of economic and political regionalism. It is conceivable that some form of political neutralism could serve the security interests of most of the countries as a region, and it should be a great deal easier--although not easy in any absolute sense--to obtain agreement on regional neutralism than to get agreement on a military alliance. Unlike a military alliance, regional neutrality would not require a great deal of positive action on the part of individual countries nor would it provoke the threat which it sought to alleviate. One would not want to include Japan in such a neutral zone, because the long-term effect on Japan would be to increase her sense of isolation and thereby stimulate pressure for rapid rearmament and encourage any forces which sought realignment of security policies. For different reasons one might want to keep Korea, Taiwan and Australia out of such a neutral zone, but in each of these cases the decision would hinge on the circumstances of the moment.

Political cooperation for a broad variety of purposes can tap a number of motives which are not directly related to the substance of the cooperation desired. The fascination and profitability of international conferences for high ranking Southeast Asians can be exploited to create personal contacts and lines of communication which will facilitate present and future cooperation. Such special motives as Indonesian aspirations to be the leader of Southeast Asia can facilitate the formation of organizations designed to facilitate cooperation on economic, political, military, cultural or other issues.

The possibilities for political cooperation increase as trade, communications, and tourism increase, and as the lower American profile puts more of the burden of decision making on local leaders, but the problems caused by interaction increase also. The Philippines and Malaysia are intensely suspicious of one another, and could clash again over Philippine claims to Sabah or over possible Malaysian Moslem support to southern Filipino dissidents. Joint Malaysian and Indonesian pressure on Singapore led Lee Kwan Yew in 1973 to visit Thailand and seek thereby to counter-balance the pressures on him. From Washington, that visit may have looked like a triumph for regionalism, but Malaysians intensely resented the trip and saw it as analogous to an attempt by France (Singapore) to ally itself with Poland (Thailand) against a Germany (Malaysia) caught in the middle. Out of such situations arises the possibility of a future split in ASEAN.

An earlier era of drastically overdrawn domino theories stimulated an overreaction in the 1960's in which scholars came to deemphasize and even ignore the extent to which Southeast Asian countries emulate one another and respond to events in other Southeast Asian countries. Even



today, the possibilities for regionalism are often exaggerated, and this exaggeration stimulates countervailing attempts to exaggerate the autonomy of Southeast Asian countries. But it is clear that the fates of the Indochinese countries are intertwined and that their fates in turn heavily influence Thailand's future. The current Philippine government is quite deliberately imitating Singapore, out of a probably mistaken belief that the secrets of success in that small city-state can be transferred to the Philippines. Singapore is quite vocal in expressing its concerns about the long-term consequences of the Indochina War for Singapore, and Indonesia feels intense competition with Hanoi for long-run regional hegemony. In the future it will be crucial to shun overdrawn domino theories and unrealistic concepts of political/military regionalism, but it will also be necessary to shun the equally overdrawn view of the uniqueness and autonomy of each Southeast Asian country.

Economic regionalism may over the long run prove the most important of the kinds of regionalism. First, a cluster of economic organizations has arisen, with Japan and to a lesser extent the United States at the center. ECAFE, the Asian Development Bank, foreign aid programs, and a variety of other economic organizations are beginning to constitute an interlocking directorate in which the Japanese increasingly play the dominant role. The Japanese see their foreign policy as based on economic relationships and are quite conscious of the possibility of using their economic clout for foreign policy ends. Second, and perhaps most important of all the varieties of economic and non-economic regionalism, there is the rise of the Pacific Basin as an increasingly integrated and dynamic unit. To the extent that this region--which includes a substantial



part of the world--remains dynamic and becomes conscious of its dynamism, China and the Soviet Union will find themselves being left behind and will find their claims to superior development capabilities diminishing in effectiveness. Moreover, countries like Taiwan and Korea, which are customarily seen as small, will acquire the economic base for a very substantial defense effort. Where such countries achieve political coherence as well as economic development, they will increasingly be able to defend themselves from outside predators and will thereby facilitate implementation of the Nixon Doctrine's concept of maximum reliance upon local defense efforts.

## 2. Political Mobilization and Fragmentation

The communications, transportation, urbanization and education advances which usually accompany economic growth enhance the consciousness of a broad variety of social groups and provide them with resources for political organization and political action. These resources become available for use by various sub-national groups, by governments, by nations, and by regional groupings of nations. Thus, increasing forces of national fragmentation coexist with increasing forces of nationalism, and both of these in turn coexist with increasing forces of regionalism. The extent to which one trend or another dominates depends to a great extent upon the available ideologies and the dispositions of leaders in the area. But each trend, and the competition among the trends, produces conflict. In an extreme fragmentation scenario, one could imagine a zone of fragmentation emerging in the Mindanao-Indonesia-Malaysia-Thailand-Burma-Laos-Cambodia-Vietnam area, with divided regions and ethnic groups

recombining to form more stable combinations. The Vietnam war would then be seen as merely the first stage in such a process of disintegration and recombination. The Vietnam war also suggests the consequences that such local fragmentation could have for the entire world. The magnitude and complexity of the fragmentation and recombination process also suggests that a high level of superpower involvement in the process could impose a high level of costs over a very prolonged period. More conservatively (and more reasonably), the zone of fragmentation and recombination could be limited to Indochina, where despite the existence of three distinct countries the common history of French rule included the development of political forces and identities on a regional (Indochinese) rather than a national base, or outside intervention may freeze lines where they are.

During the 1960's it became widely accepted that economic growth causes political instability, and if one combines this assumption with the earlier Pacific Basin assumption that economic growth is going to be rapid, then an extreme fragmentation scenario like the above is an obvious conclusion (although it is a conclusion most writers are unlikely to be willing to draw). As explained in the chapter on the Pacific Basin, however, a structural change seems to have occurred so that governments now appear to get more of the benefits of growth and insurgencies get fewer. The old relationship is probably confined to Burma (which, since it is not growing, does not suffer the consequences of growth), northeast Thailand, Laos, and Papua-New Guinea. Nonetheless, problems in Burma, Indonesia, Thailand, and the southern Philippines, and the unlikely but existing possibility of catastrophic ethnic problems in Malaysia, could

lead to some boundary changes and some substantial domestic political turbulence in the region. In the more serious possible forms of such turbulence, refugee groups could be produced which might develop their own identities and behave like the Palestinians.

### 3. Overseas Groups

Refugees from military conflict are only one source of "displaced populations." Military assistance groups, tourists, and seekers of better economic conditions also provide large alien populations. In the absence of prolonged and geographically extensive military conflict, tourism is likely to increase dramatically. Increasing nationalism will almost certainly continue through the 1980's, and this nationalism is likely to force large-scale, quasi-permanent, peacetime foreign military groups out of most of the countries of the region. But regional security arrangements could lead to deployment of some military forces from within the region outside their own countries, and superpower involvement in active conflicts could lead to temporary deployment of fighting men in the region.

The Overseas Chinese have long been noted for the durability of their culture even when they are far from China. However, recent research has indicated that this reputation is exaggerated. In Thailand and the Philippines relatively rapid assimilation has occurred. In these and other areas evolution of an "Overseas Chinese culture" somewhat different from the original Chinese culture occurs, even if assimilation does not take place. The Overseas Chinese cultures differ somewhat in different areas.

Assimilation is more likely to occur where perceived racial and religious differences are minimal (e.g., Vietnam and Thailand) rather than conspicuous (e.g., Malaysia and Indonesia). Where assimilation does not occur because of local hostility, relatively distinct Overseas Chinese communities remain; the distinctiveness of these communities is misperceived by tourists and by the local population as evidence of the persistence of Chinese culture. The size and visibility and distinctiveness of the contemporary Overseas Chinese communities results from the relatively recent surges of refugees from political conflict in China. In the absence of further contacts which spill over the boundaries of China, the Overseas Chinese communities are likely to decline slowly in size, visibility, and distinctiveness. The entrepreneurial functions which these and the Indian communities have performed in Southeast Asia will probably become gradually assimilated by somewhat broader groups drawn in part from the local population.

The political significance of the Overseas Chinese communities can easily be overestimated. There is certainly some manipulation by Peking and Taipei of small numbers of Overseas Chinese, and these small numbers can certainly serve as transmission belts of money and ideas, but the image of facile manipulation by Chinese central regimes of overseas groups is misleading. Given serious repression by local governments and given dramatically more effective ideological appeals or political ferment in China, groups of Overseas Chinese can be induced to re-identify with Mainland regimes. But in the long run, the influence of the Overseas Chinese on local communities may be far more important in an entrepreneurial and development sense than in a directly political sense.

Moreover, the political impact of Overseas Chinese on China itself could be more important than the direct political impacts of Overseas Chinese agents of Peking on the host countries if there is instability in China itself. The People's Republic has not, in general, abused its relations with Overseas Chinese and probably could not. The thrust of current PRC policy is insistence that the Overseas Chinese be good citizens of their adopted countries. Nonetheless, if Taiwan were to disappear as an independent entity, many overseas Chinese might look to Peking for solace in times when Indonesian, Malaysian or Filipino anti-sinicism flares into violence or intense economic repression. The roots of this problem are neither in Peking, nor in Chinese culture, but in Southeast Asian attitudes and policies.

The Southeast Asian impact of the Indians has declined since World War II, particularly because of Burmese nationalism's effect on their economic situation. The Chinese are likely also to decline in impact, because of assimilation, unless new political ferment in China or Taiwan (or between the two) sends new waves of refugees forth in massive numbers or reestablishes an identification with China through dramatic internal successes and external appeals. The numbers of American military personnel in Asia have already declined dramatically, but in the absence of massive anti-American political trends throughout Southeast Asia these numbers may be replaced to some extent by businessmen and tourists. That these visiting Americans will be tourists and businessmen rather than soldiers will benefit the popular images of Americans, although not necessarily political relations with the American

government, but may reduce the direct cultural and political impact of Americans on the host countries.

The Japanese, like their Chinese, Indian and American counterparts, may possibly move into Southeast Asia physically as well as economically and found new overseas communities. Prior to World War II, Japanese communities were peppered over several areas of Southeast Asia, but resentment of Japanese occupation eradicated these communities. By the 1980s an influx of a number of relatively permanent Japanese residents is likely, as the Japanese discover that economic penetration depends over the long run on intimate knowledge of local situations and personal communication with Southeast Asian businessmen. The Japanese may find themselves less welcome and less comfortable than Americans in Southeast Asia of 1985, because of the Japanese sense of cultural superiority, because of the still-lingering memories of World War II, and because Japan may by that time be perceived as the most direct threat to the political and (especially) economic autonomy of Southeast Asian nations. Incidents will occur, the Japanese will be more offended than their American and Chinese counterparts (despite current, probably temporary, Japanese willingness to endure humiliating slights from China), and at least minor political repercussions are likely. Japanese patience and face have yet to be tested against physical attacks on individuals, demonstrations against Japanese power, and expropriation of Japanese businesses.\*

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\*Since this was written, the 1972 Thai demonstrations and the 1974 protests occasioned by Prime Minister Tanaka's Southeast Asian tour provided portents of things to come.



#### 4. Ideology

Communism and anti-communism seem to be declining greatly in salience as issues for the superpowers. The Soviet Union will continue its policy of supporting "revolutionary democratic dictatorships" like Egypt and of frequently paying only lip service to cooperation with local communist parties. Indeed this trend should be accelerated by the Soviet Union's increased desire for trade, for naval bases, and for Asian allies against Communist China. The United States is confronting and will confront a variety of Marxist governments and is accumulating a considerable amount of experience in manipulating such governments, playing them off against one another, and avoiding unnecessary ideological antagonism with them. American public opinion is assimilating the fact and implications of communist pluralism. (But one must bear in mind that schismatic ideologies can prove very expansive.) Australia and New Zealand have followed and surpassed the United States in this regard.

On the other hand some small countries of Southeast Asia which lack effective party systems and convincing political formulae may require exciting ideologies to mobilize their people into stable party systems and to institutionalize those systems. The evolution of new forms of Marxism, as distinct from contemporary Marxisms as Maoism is from Leninism, could fill such an ideological vacuum. But the communist vs. anti-communist conflict could also be passe by the 1980's, particularly if Indonesia's political system strengthens and if the Indochina situation stabilizes and the U.S. maintains a relatively low posture in Southeast Asia throughout the 1970's. Racial or militaristic-rightist ideologies or fanatical religious movements or some more novel form of

ideology might flourish in one or more countries. For instance, racial ideology could catch fire in Malaysia, a fanatical Moslem movement could arise in Indonesia, and extreme militarism is a slight possibility in Thailand. Less likely, Burma could also explode.

Japan and China are both in intermediate situations as regards their ideological needs. China is at a turning point where the lessons of history regarding ideology can be read in contradictory fashion. Bureaucratic and intellectual opponents of Mao will perceive in the disasters of the Great Leap Forward and the Cultural Revolution a need for institutionalization and relatively routinized, unexciting, and unideological social processes. On the other hand, the heightened regionalism and military influence following the Cultural Revolution may lead some groups in China to discern a need for a renewed, ideologically fervent mass movement to restore national discipline (the latter alternative seems less likely to dominate).

Japan's situation is a mirror image of China's. Ruled by a dull combination of businessmen, party politicians, and government bureaucrats, the Japanese polity has abandoned ideology to its Marxist opponents in a country which has characteristically placed a very high value on intellectual integration and having everything in its proper place. A sheltered international position and an overriding and integrating consensus on the importance of economic growth have allowed Japan to prosper politically in the absence of integrative ideology. But a series of political shocks, or the anomie resulting from too rapid change, or the rise of more activist tactics among contemporary ideological groups, could once again place ideology at the center of Japanese politics.

Democracy is much neglected as an ideological force in Pacific Asian politics for two reasons. First, widespread western euphoria over the likelihood of democracy in the newly-independent nations of the world was quickly disappointed, and a widespread overreaction ensued in the 1960s. Second, there is an almost universal tendency among Western academic and journalistic commentators to define democracy in an absolutist sense, that is a tendency to insist that if a country deviates to any substantial degree from some very precise western model of democracy that that country be consigned to the ranks of non-democratic countries. Often this absolutism regarding democracy is exacerbated by an ethnocentrism which condemns as undemocratic deviations from American democracy (or British, or French), even when the same practices are or would be called democratic if they were practiced in America or Europe.\* The result is a tendency to ignore the very widespread, very strong pressures toward democratic practices in virtually all of insular Asia. Countervailing pressures and problems, including insurgencies, ethnic fragmentation, administrative inadequacies, social inequality, and others, preclude full democracy in most developing Asian states, but these problems are being solved very gradually and democratic ideals are not disappearing from the region. In Thailand democratic ideals have driven a regime from office, and in the Philippines persistent yearning for democracy is one of the main threats to the Marcos regime. Events in

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\*One of the worst examples of this is Richard Halloran, Japan: Images and Realities (Tokyo: Tuttle, 1972). Condemnations of the Philippine party system are ethnocentric (cf. the appendix on the Philippines), as are condemnations of the Malaysian strictures on certain kinds of debate which would cause ethnic or sectional antagonism; roughly parallel arrangements in Europe are generally not regarded as undemocratic.

Malaysia and Indonesia are not so dramatic, but desires for democracy run much deeper than desires for any alternative political system. Moreover, a glance at the record will show that the region's democracies do not have an inferior record in promoting growth or in solving other problems. If the West will learn to appreciate degrees of democracy, and learn not to sneer at Japanese, Malaysian, and pre-1971 Filipino practices which appear strange but which are in fact democratic by any reasonable standard, it may well discover that over a generation or two the communists, rather than the democrats, may be the ones who should worry about domino theories. With the decline of some of the more fervent forms of anti-communism in the wake of President Nixon's trip to China, the West may wish to begin emphasizing the more positive aspects of its ideology, namely, Western moral encouragement and economic support of immature democracies.

Desire for stability stimulates acceptance of military leadership (as in Indonesia) and desire for economic growth and administrative competence stimulates support of technocracy and technocratic revolt (as in the Philippines). But to the extent that stability and growth occur political values reassert themselves and encouragement of democratization can bear fruit.

##### 5. Social Technology

Advancing social science knowledge and assimilation of practical social and political planning techniques will render possible the increasing manipulation of social groups for political purposes. To the extent that economic development occurs, new resources of communications and leadership and ideas will become available for employment in manipulative

politics. Moreover, some older and familiar techniques of political mobilization may return to legitimacy. Political leaders in Southeast Asian countries increasingly understand the importance and uses of political parties. Currently Communists enjoy a virtual monopoly of the technique of the single revolutionary party. Australia and New Zealand are alone with truly competitive party systems. Malaysia and the Philippines are both candidates for possible effective competitive parties. Japan, Singapore and more distant India provide models of dominant party systems.

Truly competitive party systems are fragile in the absence of a strong and supportive central government, and they require considerable time to become institutionalized sufficiently to stabilize a nation's politics. But in the absence of institutionalized effective competition, the necessary strong central government tends to defend itself against the influence of a democratic political party. Hence, the early rise of new Asian democracies on the Philippine model is unlikely. In the absence of a revolutionary Communist or other Leninist political party, the rise of a dominant party on the Indian model is not impossible but it is likely only where one relatively unifiable ethnic group dominates in the society, or where a more diverse society unites over a period of time in the face of a powerful external threat. In the absence of a competitive party or dominant party system, either a cohesive small revolutionary party imposes its will on the whole society or the military repeatedly intervenes to prevent any party system from developing. In the long run military intervention to stamp out politics leads to internalization of politics by the military and to weakening of the military itself.

Military leaders are increasingly aware of this phenomenon, and non-Communist political leaders are increasingly aware of their weakness in the face of Leninist parties. This awareness could conceivably give rise to the formation of neo-fascist political parties supported by the military. In such a situation the military could retain its own cohesion and remain an effective military force at what will initially appear to be low cost to the military's political objectives. Southeast Asia will remain vulnerable to the rise of Ho Chi Minhs, but it may also become vulnerable to the rise of Asian Hitlers--or at least poor men's Mussolinis.

#### 6. Energy, Resources and the Environment

In East Asia, a great amount of political, social and industrial activity and discussion will be directed toward resources and the environment, as they will throughout the world. It is important to recognize that there is an interrelationship between these two subjects and that attention to any one of them must involve the other. Energy, a product of specific resources, is an especially significant field of interest. Attitudes will be shaped by the following significant factors:

1. The fact that the underdeveloped countries of the region are desirous of bettering the existence of their populations through increased food production, increased education and generally increased wealth;
2. The fact that natural resource exploitation is big business; the world's energy requirements are growing at a compounded rate of about 5 percent per year;
3. The theory, first proposed by Malthus and discussed most recently by Forrester in "World Dynamics" and Meadows in "Limits to Growth," that



increasing population and industrialization are outstripping the earth's ability to meet food and resource demands and simultaneously absorb the attendant pollution to sustain their rates of growth; disaster is imminent unless severe curtailment of these growth rates is effected;

4. The fashionable statement that a small minority of the world's population in industrialized countries--and mainly the U.S.A.--is absorbing the vast majority of the world's resources for its own use, and that this constitutes a crime against humanity.

A major portion of the future world's energy requirements will be supplied by petroleum. Exploration and extraction of oil has always been vigorously pursued on both a domestic and international basis by corporations of the industrialized nations. Worldwide pursuit of petroleum has been intensified because these nations are oil importers with increasing consumptions and there have developed political and economic uncertainties of doing continuous business with O.P.E.C.,\* which holds most of the present reserves. The offshore areas of eastern Asia are believed to contain huge reservoirs of petroleum, and the programs to find and extract them may be expected to generate vigorous competition. Petroleum firms are beginning to jam the area. National policies regarding continental shelf rights and limits will generate intense debate, as discussed in other sections of this document.

As regards pollution, such growth in the activities of drilling, storing and transporting the resource will undoubtedly produce spills which could shock the ecology of local regions. The chances of major accidents from supertanker failures will increase. Japan now imports most of her oil from the Middle East. Her 1968 consumption was about 36 billion

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\* Organization of Petroleum Exporting Countries.

gallons and 1985 demand projections are in vicinity of 160 billion gallons. Huge tankers serving the Japanese market now travel through the Malacca Strait and their numbers should increase. The projected 500,000 ton tankers will not be able to take this route--fortunately from a pollution point of view--due to draft limitations and are expected to swing further south and cross Indonesia at the Straits of Lombok. An alternate solution being discussed is an oil pipeline across the Malaysian Peninsula essentially bypassing the sailing requirement discussed above, but requiring mooring, storing and pumping facilities. All of the above points up the dangers to the environment from increasing large-scale petroleum activities that will exist in eastern Asia.

Southeast Asia is a high rainfall area, however intermittent. A significant portion of its power requirements will be met by development of hydroelectric resources which may provide the simultaneous benefits of flood control and stored irrigation water. The more intermittent the rainfall, the greater the requirement for reservoir capacity to gain maximum effectiveness of all three. Whether the result is attained with many dams in steep mountainous regions--usually high head and small reservoir--or few dams in flat country, significant ecological change may occur. For example, taming the Mekong River should impede saline water intrusion from the ocean during the dry season and it should reduce low-land flooding between the river and the Tonle Sap in Cambodia during the rainy season. The effect should be to permit increased farm output through controlled irrigation and better use of mechanized equipment. Bank erosion should be lessened. However, changes may occur to fish life due to flow stabilization and entrapment of sediments behind dam

structures. Fish protein is a basic dietary input in the Mekong River countries as it is throughout the entire Asian territory, and any upsetting of ecological balances which would reduce the quantity caught for consumption would be cause for concern. The overall benefits of any river taming program--power, flood control, increased farming output and safe river life--must outweigh all possible costs.

Relative to increased farming output, the new strains of rice, coupled with the use of machinery, fertilizers, and pesticide control should meet the grain requirements of the growing large population. In those areas where changes in existing techniques will be necessary due to flood control, adequate water from natural rainfall and controlled irrigation will allow more multiple cropping than now exists. Increased use of fertilizer and pesticides, like river control, may alter the existing biological balance in the rivers of the area and the sea into which they empty. For example, there is evidence which suggests that the use of DDT should be restricted since the amount detected in fish life is reaching proportions which may be considered unacceptable. China is reported to be constructing large DDT plants for use in that country simply because there is no degradable substitute that is as effective or as economical. The other nations of Pacific Asia may also use DDT in quantity and if so, the waters of Pacific Asia will experience increasing quantities of it. It should be pointed out that since this problem is recognized, much research is being devoted to it and that technology may be able to respond quickly enough to prevent serious ecological disaster by providing a suitable substitute for DDT. Yet, threat does exist.

Direct influence of fishing will also be a subject of concern to the governments of the area. The small boats of the underdeveloped nations are no match for the modern fleets of Japan and Russia. Apprehension due to overfishing by outsiders may be expected to precipitate discussions of shelf ownership in protection of this natural resource, similar and in addition to those regarding offshore mineral resources.

Levels of pollution, especially industrial pollution, are said to be equal to some product of population, consumption per capita, and pollution impact per unit of production, due to technological changes; the latter contribute the most toward pollution growth. Pollution problems exist--and may be expected to intensify--in Japan, whose population is high for its area (but under control), whose GNP is soaring, and whose rate of technological innovation is high--and in cities with high population concentrations whose industrial base is growing, such as Hong Kong and Singapore. An uncertain factor is China which possesses a large population of hard-working, industrious people with resources adequate for sustaining very high growth rates should she choose to do so--and according to the above formula may experience significant pollution if she were to go that route--but who may opt to increase wealth more slowly with less ecological impact.

A most serious topic is the deliberate export of polluting industries from major industrial nations to poorer ones to take advantage of lower cost labor, fresh water and possibly cheap power and rid themselves of a domestic problem. For example, Japan is supporting the development of an aluminum industry in the Philippines and elsewhere, taking advantage of some available bauxite resources and hydropower

possibilities, and obtaining a ready market for the final product, all without having the associated pollution within its national boundaries. In the same vein, iron ore from Australia could be reduced with coal from that same country or even from China in a plant anywhere in South-east Asia with Japan providing the raw material transportation system and absorbing the final product, again without being affected by the pollution generated. Such actions may be condemned by third parties as exploitation at its worst, but it may be heartily endorsed by a recipient country like Korea as the best means of bettering its population's existence.

Because such actions will be subjected to much international public scrutiny, it is not impossible to imagine that indiscriminate heavy pollution will be considered intolerable even by the people of the exporter nation who may be reaping economic benefits, and that public pressure will force compromise. Some pollution control may be established but at a cost somewhat less than necessary if the industry were located on home ground.

The natural resource wealth of Western Australia is now being tapped principally for the Japanese market. Oil, however, addressed in this section as a possible polluter, appears to be the principal natural resource of the underdeveloped countries of the area, although it is as yet undiscovered. Indications are that huge reserves exist ready for exploitation. One may be certain that such exploitation--done by the developed countries since they have the capital, know-how and demand for the product--will be condemned by those who believe that resource conservation is in order at this stage of history; who believe that extraction and use of resources

by rich nations, even if they have paid the host country for the resource, is immoral. As a counter-position, it may be successfully argued that exploitation in this manner may be the only way to distribute wealth from the "have" to the "have-not" nations so that they can solve domestic problems and add to foreign reserves. This position further suggests that since historically, more reserves are added each year than used, primarily due to the active exploitation of known reserves, such exploitation will pave the way for research and development of new techniques to discover and extract more remote quantities that would have otherwise remained undetected and unused. Only through the accumulation of wealth--an increase of GNP, not a decrease--can social problems such as pollution abatement, education and adequate nutrition be solved.

#### 7. World Oil Issues

In the near future petroleum will be called upon to meet the greater portion of the world's ever-increasing demand for energy. World demand for petroleum increased 8.4% from 1969 to 1970, to an annual rate of approximately 17 billion barrels. Projections to 1980 more than double this figure. In 1970, world oil reserves increased 5.7% to 546 billion barrels; those of the U.S.A. over 30% to some 39 billion barrels. The anticipated 1980 demand for imports to the developed world--upwards of 11 billion barrels for the U.S.A., Japan and Western Europe--will provide the driving force for an era of intense exploration, transportation and research and development into deep drilling techniques, both on and off-shore, and increased recovery percentages from known resources. The above will produce a set of factors from which new problems may be expected to emerge.



Those underdeveloped nations with substantial known and projected oil reserves are turning more to increased revenue from oil to provide future social development and better quality of life for their people. The Organization of Petroleum Exporting Countries (O.P.E.C.) consisting of the oil-rich nations of the Middle East, Africa, Venezuela, and Indonesia, has steadily increased its demands on oil consortiums and has demonstrated its ability to precipitate worldwide energy shortages. Spurred by shortages and by technological advances allowing oil operations to be carried out in very deep water, intensive exploration will be carried out in the continental shelf areas of East Asia, the Gulf of Mexico and off the Atlantic shore of the U.S.A.

Successful economic extraction of oil from Siberian, Asian and other sources would act as a brake on the demands of O.P.E.C. and other groups of exporting nations, alleviating threats to the national security of oil importing nations. Japanese interests are extending to the Eastern Cordillera regions of Ecuador, Colombia and Peru. In Europe, increased crude oil production can be predicted in the North Sea area. There is evidence that huge oil and gas pools exist in the Arctic areas of Alaska, Canada, and Russia, and the transportation problems involved will test the expertise of industry to bring the resource to the areas of demand. Increased interest in the extraction of oil from shales in the U.S. and the sands in Canada may be expected as the price of crude oil increases. The future world cost of oil will be influenced by the extraction costs of these huge reserves and the speed with which industry can match output to demand. Just as petroleum exporting countries band together to protect their common interests, it may be attractive to importing

countries to reach agreement for the successful development of all petroleum resources, to present a unified front against unwarranted price demands, and to insure that private capital investments are not jeopardized. Such an alliance, if forthcoming, will be a test of international diplomacy

In East Asia, conflicting claims to ownership of shelf areas have already occurred. The Senkaku Islands, claimed by the Japanese as part of the Ryukyus, are also claimed both by the PRC and the GRC, to whom they are known as the Tiao Yu Tai. Both the GRC and the PRC have also laid claim to more southerly groups such as the Paracels, which are also claimed by both North and South Vietnam. There are also disputes between Cambodia and South Vietnam regarding offshore territories. The future disposition of the shelf areas and the minerals they contain may be expected to be a point of great international concern. The underdeveloped nations of the territory will not be able to exploit or use the mineral wealth themselves and have leased or will lease concessions to international consortiums of American, Japanese and European origin. In some areas of ownership dispute, overlapping concessions have been issued, as further elaborated below. Joint Japanese-Soviet development in Siberia could in the future become a source of conflict as well as cooperation.

#### 8. Continental Shelf Sovereignty

Where oil-bearing strata exist within countries or within recognized territorial or continental shelf waters of countries, plans for exploitation are usually a simple matter, involving agreements between the countries concerned and local or foreign oil interests. There are areas, however, where either territory, waters, or both are disputed, which com-

plicates matters considerably. Such a situation exists in East Asia, in the Yellow Sea and China Sea areas, and in the Gulf of Siam.

In 1968, ECAFE sponsored a seismic survey of East Asian waters by the U.S. Naval Oceanographic Office, which identified areas showing promise of bearing oil. When the results became known,\* a situation developed which is far from resolution today. The oil-bearing off-shore areas of interest lie on the Asian continental shelf, which extends along the east coast from Korea south to Indonesia. Bordering the region are Japan, both Koreas, Mainland China, Taiwan, both Vietnams, Cambodia, Thailand, Malaysia, Burma and Indonesia. Prior to the 1968 survey, little attention was paid to territorial water or continental shelf claims in the region except insofar as they affected fishing grounds, and these did not lead to serious disputes. Following the survey, however, the picture changed. With the possibility of oil being found, the nations in the region hastened to register claims, many of which overlapped, creating delicate situations in several parts of the region.

The U.N. Continental Shelf Convention of 1958 defines the continental shelf as that portion of the seabed adjacent to a continent extending to a depth of 200 meters or to the maximum exploration depth. At present, the two coincide, but future technological developments will doubtless increase the workable depth. The Convention further held that countries adjacent to a continental shelf had exclusive rights to exploit that portion of the shelf which was contiguous to the country in question except when two or more countries were adjacent to or opposite the same portion of the

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\*Structural Framework of East China Sea and Yellow Sea, John M. Wageman, Thomas W.C. Hilde, and K.O. Emery; The American Association of Petroleum Geologists Bulletin V 54, No. 9 (September 1970).

shelf. In this case, a median line would delineate the respective parts of the shelf or some other method arrived at by mutual agreement. Herein lies the rub in East Asia.

Since the ECAFE survey, adjacent countries have leaped in with claims which overlap in many areas. In the East China Sea, the Peoples Republic of China (PRC) claims nearly all the shelf and since 1968 has issued a series of statements accusing the U.S., Japan, Korea and Taiwan of "plundering" the Chinese continental shelf. Their statements have been very hostile and threatening. The PRC claim is illustrated in Figure 1. Taiwan, for its part, claims much of the same area up to the shore of the Mainland. Japan and South Korea also claim parts of the shelf claimed by both Chinas in the East China Sea, creating a very confused situation. Taiwan, South Korea, and Japan have granted concessions to different companies for explorations of the same area, as illustrated in Figure 2.\*

The Senkakus. The Senkaku Islands are a group of uninhabited, rocky islands situated northeast of Taiwan which have served for hundreds of years as shelter for Taiwanese fishermen during storms. They are currently under Japanese administration and are considered administratively as part of the Ryukyu Islands. Prior to 1968, nobody tried seriously to enforce a claim to the islands, since they served no useful purpose. Since the ECAFE survey, however, they have become a bone of contention. The islands are situated at the edge of the Asian continental shelf atop a formation which according to seismic data may contain large quantities

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\*Maritime Attorney Northcutt Ely conducted a study of the East China Sea continental shelf for Gulf Oil and concluded that settlement of shelf claims in the area was possible. He divided the shelf in a "reasonable" manner. The State Department takes a pessimistic view, however, because the countries concerned are not "reasonable."

FIGURE 1

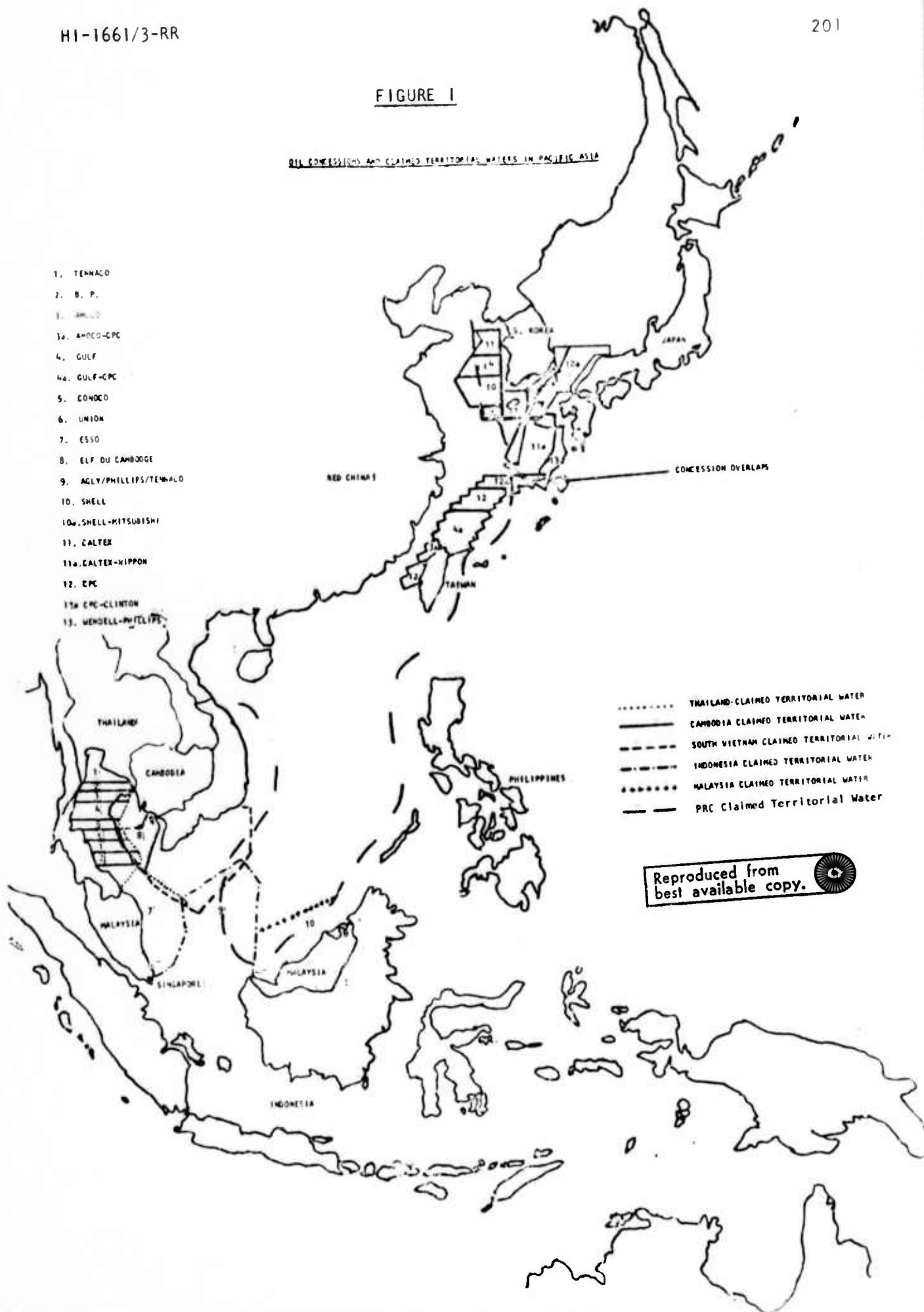
OIL CONCESSIONS AND CLAIMED TERRITORIAL WATERS IN PACIFIC ASIA

1. TENNACO
2. B. P.
3. AMOCO
- 3a. AMOCO-CPC
4. GULF
- 4a. GULF-CPC
5. CONOCO
6. UNION
7. ESSO
8. ELF DU CAMBODGE
9. AGLY/PHILLIPS/TENNACO
10. SHELL
- 10a. SHELL-MITSUBISHI
11. CALTEX
- 11a. CALTEX-NIPPON
12. CPC
- 12a. CPC-CLINTON
13. MENDELL-PHILLIPS

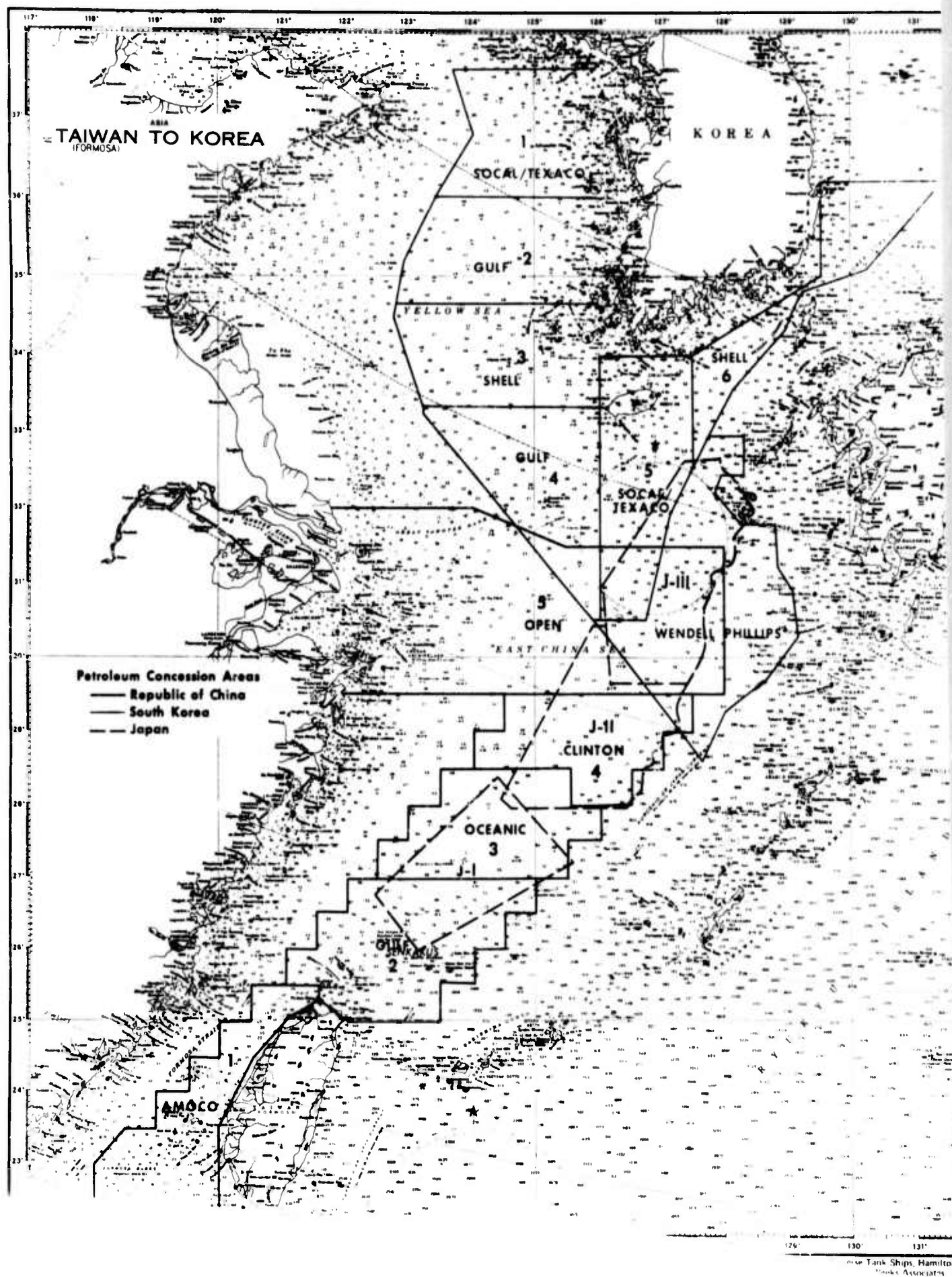
RED CHINA

CONCESSION OVERLAPS

- THAILAND CLAIMED TERRITORIAL WATER
- CAMBODIA CLAIMED TERRITORIAL WATER
- SOUTH VIETNAM CLAIMED TERRITORIAL WATER
- INDONESIA CLAIMED TERRITORIAL WATER
- MALAYSIA CLAIMED TERRITORIAL WATER
- PRC CLAIMED TERRITORIAL WATER

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of oil. The GRC now claims them on the grounds of proximity plus the fact that Taiwanese fishermen have sheltered there for centuries. The Japanese claim them on the grounds that they are part of the Ryukyus. The PRC claims them since it claims Taiwan and all adjacent islands and waters. They are of particular interest to the Japanese because without them Japan is not contiguous with the East Asian continental shelf and hence can make no claims to portions thereof.

The United States is in a tight situation between two friendly powers and a third with whom it just began a dialogue, vis-a-vis the Senkakus. It has turned over administration of the islands to Japan along with the Ryukyus, but takes no position relative to sovereignty over the islands. This pleases no one, as might be expected. The U.S. position is further complicated by the provisions of the Japanese peace treaty under which we agree to defend all territories returned to Japan, which would include the Senkakus. The U.S. is presently at a loss as to how to resolve the dilemma.

#### U.S. Policy in Contested Areas

The present U.S. policy in contested areas of the world regarding oil exploration and production may be summarized as follows:

1. The U.S. will provide no protection of any kind in contested waters. This includes the Yellow Sea, East China Sea and Taiwan Straits.
2. All U.S. interests are advised to stay away from such areas to prevent incidents.
3. The U.S. has no legal authority to prevent people from entering such areas and interested companies are so advised.

If such companies insist on operating in such areas, they are requested to use no U.S. citizens, no U.S. flag vessels, and not to use sensitive equipment such as sophisticated navigation equipment or MAD<sup>\*</sup> gear which could find military application. U.S. companies have generally cooperated.

In support of this policy, which is designed to avoid incidents, the U.S. military establishment is under orders to offer no assistance to U.S. ships in the event of attack or seizure without specific instructions from Washington. Japan, the GRC and South Korea, among others, have been advised of the U.S. position and have been prohibited from rendering such assistance using Military Assistance Program (MAP) equipment received from the U.S. In sum, the U.S. position regarding disputed areas is to avoid all confrontations and to take no sides; i.e., avoid trouble.\*\*

#### Status of Oil Operations in East China Sea and Yellow Sea

In general, seismic survey work has been completed in the area (except for Oceanic and Clinton, Fig. 2). Under the terms of the GRC lease for Taiwan Area 2, Gulf has to start drilling operations by 1973. Gulf began drilling in Korea zones 2 and 4 in the spring of 1972. Shell and SOCAL-Texaco will also commence drilling off Korea in the near future. Amoco began drilling in its Taiwan west coast tract in September of this

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\*Magnetic Anomaly Detector.

\*\* In the spring of 1971 the Gulf exploration ship Gulfrex, equipped with the most modern navigation and detection equipment, was operating within 50 miles of the People's Republic of China in an area leased to it for exploration by the GRC (Fig. 2). The U.S. State Department asked the Gulf Company to order their ship out of the area to avoid a repeat of the Pueblo incident. The company complied. They were also asked to cease exploration in Senkakus until their status is clarified. Other ships have also been warned off.

year. Seismic results have been very encouraging in the Amoco area. SOCAL-Texaco, in Korea 5 which overlaps Japan III, are expecting permission from Japan to commence operations in the disputed part of Korea 5-Japan III.

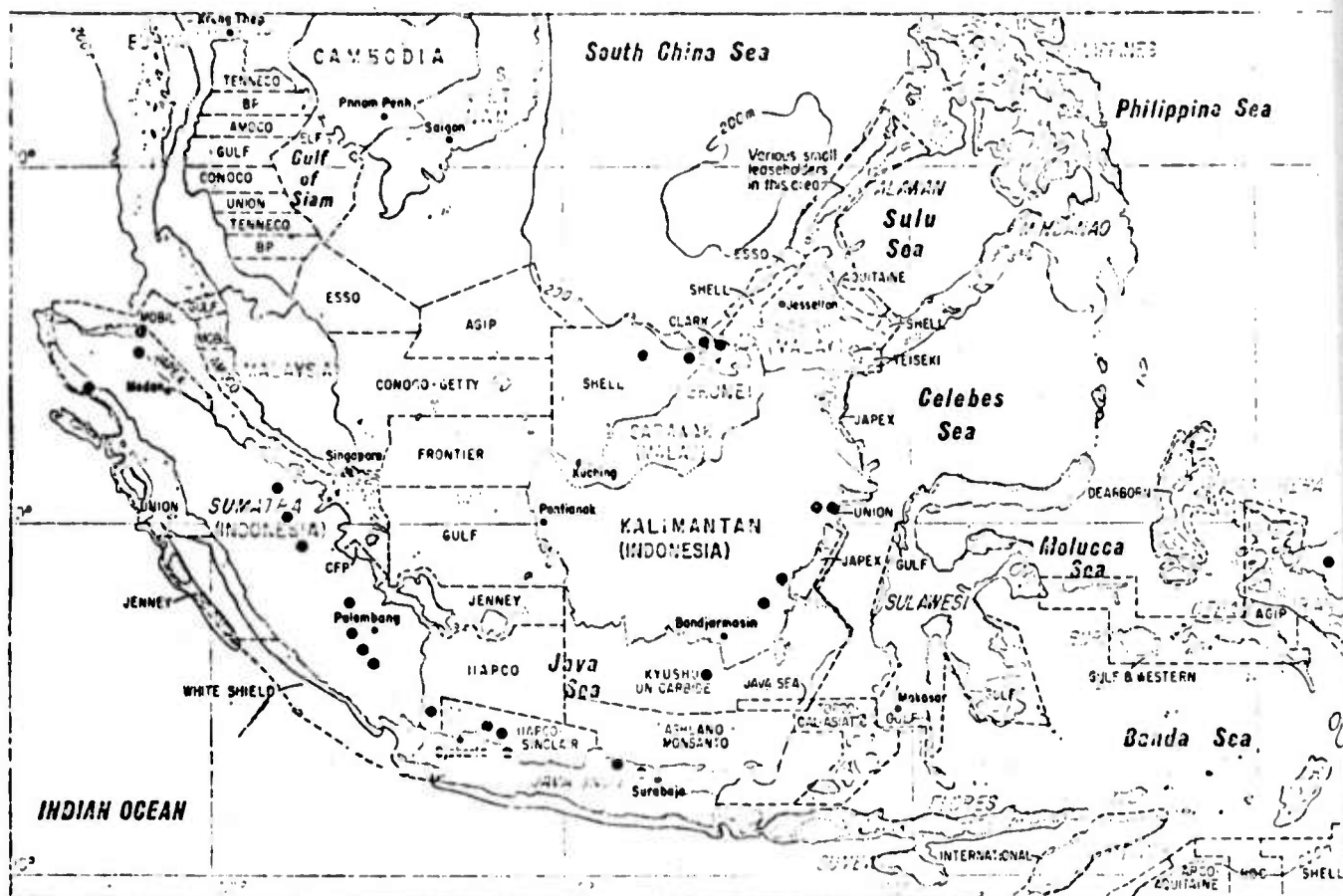
Gulf was recently approached by five Japanese companies to join in an effort to enter into talks with the PRC for clearance to drill in PRC waters. The U.S. State Department granted permission to Gulf, but is pessimistic about the outcome since the PRC appears desirous of developing its own oil resources. Gulf feels that the PRC might agree to a contract with a foreign firm to do some of the work while retaining full ownership. They doubt that concessions would be forthcoming, however.

#### Indonesia and Southeast Asia

Prior to 1965, Japan was the largest oil exploration entity in Indonesia. Under the Sukarno regime, U.S. companies gained few concessions. Since the abortive coup, however, U.S. companies have moved into the area in strength and today dominate the picture. Caltex is the biggest producer at present and Japanese interests are fading rapidly from the scene. Figure 3 illustrates the present concession picture.

Oil production in Indonesia has come under the control of an Indonesian Government subsidiary, Pertamina. Pertamina has controlled oil leases since 1967, although some concessions such as those of Stanvac and Caltex predate this. When their present leases expire, however, they will have to negotiate with Pertamina to renew. Under Pertamina, leases usually call for a 65%/35% split with Pertamina getting the 65%. Of this amount, about 60% goes to the Indonesian Government. (Under its

FIGURE 3



CONCESSIONS ONSHORE and offshore Indonesia area. Petroleum producing areas are shown as black circles.

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present lease due to expire in 1985, Caltex splits 60/40 with the Indonesian Government). Pertamina has generally friendly and trustworthy relations with foreign oil interests. Pertamina's principal customer is Japan, which also buys the bulk of Stanvac and Caltex production. No big strikes have been made in Indonesia or adjacent waters to date, but a recent strike by IAPCO looks promising and might prove significant.

The situation in the Gulf of Siam is more confusing. As is the case in the East China Sea, there are overlapping claims to the continental shelf areas; by Thailand, South Vietnam, Cambodia, Indonesia and Malaysia in this instance. The war in Southeast Asia has effectively prevented open shelf disputes in the region, but with the advent of peace, this will probably change. At present there is little oil activity in the Gulf of Siam.

#### Future Outlook

In light of recent U.S. overtures toward the PRC and the Japanese response thereto, a number of previously improbable possibilities may develop. Future joint Japanese-U.S. operations in PRC waters do not seem impossible, for example. Chinese Mainland exploration and drilling is also possible, although much less probable.

Taiwan, "abandoned" by the U.S. in the minds of many, may reach some tacit or (less likely) explicit accommodation with the Mainland which could result in secure operations in areas where drilling could now precipitate conflict. The Senkaku situation could also be resolved by three-way agreement, but probably not for a few years. The State Department does not anticipate any significant change in the Taiwan picture for three to five years, but events could move more quickly. Japanese-Korean-Taiwanese negotiations will likely produce important

compromises. In all probability, however, it will be several years before all the claims to shelf deposits in the region are settled, permitting full exploration and exploitation of oil resources.

In Southeast Asia, the clouds of war obscure the future picture in the disputed areas of the Gulf of Slam. If the communists are successful in their endeavors, they will eventually control all or most of the Gulf, with whatever that will bring. If negotiated peace endures, there appears no major obstacle to settling the disputes amicably, since the overlaps are not too great in most cases. A possible exception might be the PRC which claims territorial waters extending deep into the region (Fig. 1). How serious a problem the PRC might pose would depend largely on political developments in the area, but Indonesia is the dominant power at present and is likely to remain so for the foreseeable future. If it is able to revamp its economy, it will probably prove sufficiently strong to discourage overt PRC actions in Southeast Asian waters. Finally, based on past experience with the PRC in such negotiations, it is quite possible that the PRC will settle the disputes in reasonable fashion.

#### B. Some Future System-Structure Scenarios

Having surveyed the economic environment, the situations of individual countries, and some major regional forces affecting the future of Pacific Asia, it will be useful to construct some scenarios indicating some alternative possible futures of this region. The "systems" sketched here are intended to be abstract caricatures rather than detailed analyses. Their purpose is to alert the mind to alternative extreme possibilities. Such scenarios would not be useful without the preceding relatively detailed (but in many ways also sketchy) survey. Likewise, detailed



knowledge of individual countries and forces will avail little in the absence of some larger abstraction which fits the details into some overall configuration.

### 1. Multipolar Asias

The most likely Asian "system" for the next ten to twenty years is a relatively loose, relatively multipolar system--relatively loose in that most of the powers will not be bound tightly to any strong alliances or to any other highly constraining rules of the game, relatively multipolar in the sense that no single power or pair of powers will jointly or competitively dominate the region. "Loose multipolarity" tells one very little about the nature of the system, however, since a loose multipolar situation could include a Japan unarmed or nuclear-armed, a Hanoi desperately weak or predominant in mainland Southeast Asia, a China relatively cooperative and open or intensely hostile and autarkic, a Soviet Union preoccupied elsewhere or grappling to the death with China, and a United States retaining strong alliances or turned isolationist.

Because this loose, multipolar projection represents the most likely system of the next ten to twenty years, it is worthy of far more detailed analysis than the alternatives, and it receives such analysis elsewhere in this volume. The section of the chapter on the rise of the Pacific Basin which analyzes political issues describes in considerable detail the principal political problems of the region and the likely outcomes of those problems. The basic projection here is for peaceful, rapid development, not because of multipolarity but because each of the major

problems seems controllable (not solvable, but controllable). More importantly, the chapter following this one describes a major transformation "from the politics of weakness to the politics of strength," which characterizes what is happening in Asian, and world, politics much more precisely and validly than the frequently misused concept of "multipolarity." The sections that follow are deliberately brief and provocative whereas the other descriptions of the coming Asian political system have been detailed and analytical. If only to dispel a sense of inexorability that can creep into a single projection, it is important to glance at some alternatives. (Imagine the Russian analyst of 1965 who included President Nixon's trip to China as a serious possibility: he must have been fired. The possibilities that follow are more likely than his.)

## 2. Bipolar Asias

The breakup of the Sino-Soviet alliance and the attenuation of the U.S.-Japanese alliance have severely muted the bipolarity of the East Asian international system, but have not yet replaced it by a truly multipolar system. In the short run of the next few years and in the longer run of 15 to 20 years a number of muted bipolar systems are worthy of examination. Various crises or changes in leadership in Northeast Asia could reintroduce the old alignments. For instance, dramatic Japanese rearmament could frighten the PRC and U.S.S.R. into realignment or a change of PRC leadership could re-cement the old bonds. It is also not impossible that the trend of U.S. identification away from Japan and toward China could be carried much, much further than the authors of the current trend intended and the U.S. could end up aligned at least

weakly with China against a combination of Japan and the Soviet Union.\* In such a situation Western Europe would probably weigh in weakly on the side of China and the United States because China and Europe share a common fear of the Soviet Union.

One can even imagine an alignment of the Soviet Union and the United States against Japan, although this seems the least likely of the bipolar Asias. The current trend toward isolation of Japan could conceivably provoke Japan into rapid rearmament including eventual deployment of seriously destabilizing weapons, and including the possibility of eventual Japanese military intervention in Korea, in Taiwan, in the Straits of Malacca, or in some Southeast Asian country. Such possibilities are improbable but worthy of consideration. For instance, Japanese companies drilling for desperately needed oil on the continental shelf of Asia could be attacked by Chinese or North Korean ships and in such a situation one would not expect the Japanese to react with the magnanimity that the United States displayed in the Pueblo incident. If relations with the U.S. were less than friendly, or if the U.S. had turned isolationist, Japan might turn to the U.S.S.R. Such political incentives could be supplemented by the U.S.S.R.'s guaranteeing Japan greatly expanded access to Siberian resources and returning the disputed islands to Japan.

Common to all of the above systems is a level of risk and volatility which is not overwhelming, but which is significantly higher than the levels of risk and volatility characteristic of the area over the last fifteen years.

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\*See the discussion in the next chapter of President Nixon's trip to China and its consequences.

In order to round out the discussion of possible Asian systems, we include the following systems which carry extremely low probability as systems but which caricature potentially important trends.

### 3. A Unit Veto System

Nuclear proliferation could lead to mutual deterrence among major Asian actors of the last fifth of the twentieth century. India has already exploded a nuclear device. By 1985 Japan could easily acquire nuclear weapons. In addition during the 1980's the GRC might respond to erosion of her international position by a crash program to acquire nuclear weapons. Even Australia might respond to fear of political isolation by acquiring them. These possessors of nuclear weapons, together with China, the Soviet Union and the United States, might be totally unwilling to attack one another either because of assured mutual destruction or because of fear of the consequences of setting a precedent for use of nuclear weapons. Of course, even limited use of nuclear weapons could set a precedent, and development of anti-ballistic missiles (or other defense technology) could make mutual destruction less assured.

Such a unit veto system could gain in breadth and depth by parallel developments in non-nuclear warfare. The mobilization throughout the region of forces capable of acting effectively as quasi-guerrilla units, together with relative stability of national boundaries, could provide nations on the defensive with superiority against any conventional attack which would not virtually annihilate the society. Presumably, conventional weapons with potentially genocidal impact will be available in

1985, but presumably also there is a possibility that moral prohibitions against massive use of these weapons will be so effective as to give an effective superiority to the defense. A unit veto system might arise relative to great power military interventions even if it did not preclude conflict among small powers. Such a system is hardly likely to characterize the whole region but it might arise in certain areas.

More likely than a full fledged unit veto system is the broadening and increasingly precise definition of modes of warfare which the international community find unacceptable. Currently nuclear warfare and most strong forms of chemical and biological warfare are viewed as unacceptable. Weather modification may quickly be added to this list. More subtly, public opinion at home and abroad may increasingly condemn some of the most intense forms of conventional bombing and of automated battlefields, especially when the latter are employed in situations which involve little risk of fatalities to the side employing the automated battlefield.

This latter point is important to understand. When an officer succeeds in increasing casualties to his opponent and in decreasing the risks to his own men, then he is a good officer and worthy of promotion. However, if the entire armed forces of a nation are successful in carrying this process to an extreme (that is, successful in causing high casualties to the opponent while virtually eliminating their own casualties), then domestic and world opinion may turn against that nation. This is a paradox not unlike that of the industrialist who is a hero for increasing production until the point where he succeeds so dramatically in increasing production that he gets attacked for changing the environment within which he operates. In the military case, public condemnation results from a

sense that the decision to go to war and the ongoing decisions to inflict casualties on an opponent should be difficult, and that they should reflect a feeling that the stakes in question are so important and so unobtainable by other means as to involve willingness to risk one's own life. The point is easily stated, but not easily discussed in a period of high popular passions and scarce dispassionate analyses, but the impact of this simply stated point on future military operations by great powers against developing nations could be as great as the impact on business operation of contemporary fear of pollution.

#### 4. Permanent Warfare Systems

The possible existence of a Zone of Instability in the archipelagos of Southeast Asia, together with Indochina, Burma, and Thailand, could present a persistent temptation to competitive great power military involvement in the region. Because of the instability of a broad area, all victories would be uncertain, all settlements would be subject to erosion, and all disengagements would be difficult. Such a system would undermine political cohesion and economic development in the great powers involved, and would lead to a cycle of stagnation in the economic and political development of the whole region.

Sporadic and possibly continuous warfare within and among the small countries in the Zone of Instability could continue into the 1980's regardless of great power policy decisions. The question is whether the great powers will allow themselves to become sucked into the whirlpool and perhaps themselves become part of the Zone of Instability.

In the Indochina area continuous warfare for the indefinite future is a serious possibility, at least to the extent that one regards the



Arab-Israeli conflict as a situation of continuous warfare. South Vietnam may well be able to expel all large enemy units from densely populated areas of South Vietnam, but may be unable to arrange an effective truce with the North, and in the absence of the truce may be unable to prevent sporadic attacks by larger units on border areas and by smaller units within the borders. The world has learned to live with such low level, permanent warfare situations, and the populations of such countries as Israel have learned to live with them, but they are nonetheless situations of permanent warfare.

#### 5. Quasi-Colonial Systems

Loss of political cohesion or failure of economic development in any of the major units of the system could focus the attention of all the big powers on competitive "rich man's burdens" or predatory relations with the unfortunate unit. For instance, the disintegration of India and Pakistan is well within the realm of possibility. Such disintegration, particularly if sudden or unexpected, might lead to frenetic competition among the Soviet Union, China, Japan and the United States for influence over the various remaining units. Indeed, the new (small) Soviet-Indian Ocean fleet may be designed in part for just such an eventuality. A similar system could of course result from fragmentation in the contemporary Zone of Instability, particularly if the Vietnam War should be prolonged indefinitely or if Indonesia should unexpectedly begin to disintegrate into autonomous regions. Likewise economic stagnation in China combined with a possible fierce succession struggle, or combined with further episodes of intense struggle within the party, or combined with military rule by an army suffering from excessive bureaucratism or

loss of cohesion, could conceivably open up China's peripheral areas to detachment by predatory neighbors and her economy, desperate for development, to ambitious foreign development and investment programs.

#### 6. Nuclear Episodes

The dangers of nuclear conflict among superpowers as a result of a strategic crisis like the Cuban missile crisis, or as a result of escalation of initially limited involvements in a local conflict, or from some sort of miscalculation, are familiar and important but do not require emphasis except as a reminder. Other, equally dangerous, sources of nuclear conflict exist. One nation might attempt to preempt another nation's acquisition or further development of nuclear weapons in a crisis. For instance, a low-probability possibility exists that the Soviet Union would attack some Chinese facilities, that China would attempt to destroy a GRC nuclear program, or that China might attack an Indian nuclear facility. But such attacks are unlikely, both because of the specific countries involved and because nuclear facilities can be attacked with conventional weapons thereby sparing the attacker the onus of initiating use of nuclear weapons.

Another low probability source of nuclear conflict is domestic disintegration in a country which has acquired nuclear weapons. China, India, and Taiwan possess dissident domestic groups which by the 1980s may have considerable power; India\* and (much less likely) Taiwan could also possess nuclear weapons by then. The inhibitions against using

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\*Technically, although India has exploded a nuclear device, it does not necessarily have weapons.

nuclear weapons against one's own countrymen are severe, but some dissident groups do not perceive any common identity with their central government. Once again, these are very low probability events, but especially in the case of India one should not neglect them.

## VI. THE UNITED STATES AND ASIA: POLITICAL AND HISTORICAL CONTEXT

Previous chapters have surveyed influences on the future of Asia, largely but not completely abstracting the United States from the picture. It is now time to introduce the United States and its policies fully into the picture.

In order to see where we are going, and where we want to go, it is essential first to gain a clear understanding of where we have been and where we presently are. That is the purpose of this chapter. The first section of this chapter criticizes misuse of the ambiguous concept of multipolarity and provides an alternative formulation. This alternative formulation then becomes the basis for fundamental revision of the conventional wisdom regarding the Nixon Doctrine. That Doctrine is widely regarded as consisting principally of a fig leaf to cover U.S. withdrawal from Vietnam, and as a face-saving effort to respond to a new American weakness in international affairs. Likewise, it is often held that the problems in Vietnam, and the necessity for moving to a Nixon Doctrine-type approach, demonstrate the failure of the Truman Doctrine. As it turns out, the Nixon Doctrine can more appropriately be interpreted as a response to extraordinary American success under the Truman Doctrine and the problems which result from that success.

The second part of this chapter also attempts to put the present into perspective by interpreting the recent past. This section assesses the evolution of American relations with Southeast Asia, and especially with China and Japan, since President Nixon's trip to China.\*

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\*Part A of this essay was written for Hudson's Corporate Environment Study and Part B for the July 1973 issue of *Asian Survey*. They are included here because of relevance. The first section replaces the commentary on multipolarity which was included in Chapter V of an earlier draft.

A. From the Politics of Weakness to the Politics of Strength

International politics has undergone a decisive change in the late 1960's and early 1970's. Americans have given the name "multipolarity" to this transformation, but the concept of multipolarity, as employed, is ambiguous, misleading and sterile. Much of the world distrusts U.S. policies based on the concept. This essay defines more precisely the change in world politics, a change from a politics of weakness to a politics of strength. But first it will be useful to explore the concept of multipolarity.

Multipolarity and Its Misuses

Multipolarity is, above all, ambiguous in the modern world. Traditionally the concept referred to regional or world political systems characterized by relatively fluid interactions among major powers of comparable political, economic, and military power. Yet today's powers are not comparable, and the number of poles depends on one's terms of reference.

In purely military terms, today's world looks bipolar, or tripolar, or multipolar depending on one's perspective. From a nuclear perspective the world remains essentially bipolar, although it is rapidly becoming tripolar--largely as a result of a joint American and Soviet decision to restrain the development of defensive systems which might have held the People's Republic of China to a decidedly inferior nuclear status. From the viewpoint of conventional offensive military operations the world remains bipolar. Only the Soviet Union and the United States can undertake major military initiatives far beyond their own territory. China's

domestic military requirements, nearly impassable borders, and inadequate logistical facilities confine her largely within her own boundaries. From a conventional defensive viewpoint, on the other hand, the world is tri-polar because China is certainly capable of defending herself against defeat by any other power. From a viewpoint of guerrilla defense the world appears more multipolar. North Vietnam, Brazil and others could undertake a successful guerrilla defense against any but the most uninhibited and unlikely forays of the major powers.

These military perspectives contrast with the perspectives of economics and ideology. There are several great domestic economies, the United States, the Soviet Union, Japan, and the European Economic Community. China, with an economy the size of Italy's, does not count here; nor does Brazil, whose economy will not surpass Canada's by 1990, even if 10 percent GNP growth rates persist. But the United States, Japan and the EEC (and temporarily the Middle East) are the only individually powerful units in the international economy.

From the standpoint of ideology the world can be viewed still as a bipolar division between communist and noncommunist nations, or it can be viewed as a hodgepodge of a great variety of different ideological stances.

Thus, "multipolarity" proves imprecise. One could argue that the complexity of the situation requires a description like "multipolarity," but such an obtuse concept stymies analysis. To be sure, "multipolarity" does describe some real changes. Some process has partially dissolved bipolar relationships, diminished U.S. influence, allowed the big powers to exploit common interests, and forced American decision makers to give substantial weight to the views of a larger number of foreign powers. But



the concept of multipolarity does not cut at the joint of what has happened. It deals only with the big powers, whereas small power trends are equally important, and it fails to explain clearly why big powers can emphasize common interests. It obfuscates where enlightenment is possible.

More important, it provides false enlightenment. For "multipolarity" has become loaded with false, reassuring connotations of stability and U.S. maneuverability. Suppose that, instead of calling the world "multipolar," we had called it a "hodgepodge world" or a "world of incongruity." Such terms are equally descriptive, but frightening rather than reassuring.

That Asian multipolarity would prove stable became a popular idea late in the Johnson administration. President Nixon, Dr. Kissinger and others generalized the stable multipolarity concept from post-Vietnam Asia to the post-Vietnam world. The idea that multipolar systems are inherently stable came to pervade the national security bureaucracies; often the pressures of intellectual faddishness were helpfully supplemented by explicit directives.

The principal example of stable multipolarity has been the nineteenth century balance of power, which Dr. Kissinger analyzed in his dissertation on Metternich. Various scholars\* have punctured possible

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\*In 1968, Robert E. Osgood was already criticizing exaggerations of the advantages of multipolarity, or balance of power, or pluralism, in Asia. Cf. Robert E. Osgood, George R. Packard III, and John H. Badgley, Japan and the United States in Asia (Baltimore: Johns Hopkins Press), Ch. 1. More recently, Stanley Hoffman, Zbigniew Prezinski, Robert Bowie, and others have offered trenchant critiques. Dr. Kissinger clearly comprehends the key limitations of the analogy with 19th century Europe, but remains associated with a rhetoric of stable multipolarity that seems redolent of the last century. In much national security planning, Dr. Kissinger's carefully hedged metaphors ("a structure of peace") get translated into explicit dogma associating multipolarity with stability. A major statement of the multipolarity thesis for Asia is A. Doak Barnett's

analogies between today's world and the nineteenth century Europe, whose stability rested upon unique balance and cooperation among the principal powers. Nineteenth century European states shared conservative ideology and fear of revolution, and were so united by birth, marriage, and common culture that balance or coordination of policies proved achievable with relative ease. Today, while common interests exist in arms control, trade, and other fields, there is no question of the Soviet Union and the People's Republic of China becoming fully conservative powers, so consensus will remain elusive. Moreover, the international system now includes powers whose cultural and linguistic differences make communication difficult--as shown by recent experience with China and Vietnam--while the rapid pace of modern events makes stability ever more dependent on clear communication.

Past Asian multipolar systems have certainly not proved stable. For instance, in the 1920's a great American initiative to bring China into the system as a full member of the community of nations was expected to herald a new era of multipolar diplomacy in which economic competition would replace military battle as the dominant mode of international interaction. In fact, the attempt at the Washington Conference of 1922 to establish peace through stable multipolarity led to disaster. The leaders of the 1920's miscalculated the likelihood that China would fulfill her allocated role and neglected the damage to Japan's interests resulting

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"The New Multipolarity in East Asia: Implications for United States Policy," Annals of the American Academy of Political and Social Science, July 1970. This article has been extensively used by USIS in Asia to explain American policy. For a spirited but unconvincing defense of the thesis for the world, see Alastair Buchan, Power and Equilibrium in the 1970's (New York: Praeger, 1973), Ch. 2. Buchan's characterization of the direction of trends is incisive, but he fails to consider how slowly these trends operate.

from U.S. fixation with China. Severance of the Anglo-Japanese alliance induced Japanese anxiety and anomie, and thereby facilitated World War II.\* One cannot maintain that multipolarity was stable but the breakdown of multipolarity produced the war, since the breakdown was inherent in the most essential features of the multipolar system of the day. The aftermath of the euphoria over emergent multipolar stability in Asia of 1922 casts ominous shadows on the similar euphoria of 1972. And the lessons of worldwide multipolarity in the 1920's and 1930's are as salient (and as flawed) as the lessons of nineteenth century European multipolarity.

Likewise, in the view of the stability of the last quarter century, it is extraordinary that the bipolar situation is so universally viewed as being inherently unstable. The popularity of the concept of stable multipolarity among many scholars and officials derives not from logic but from reaction against the tenseness of bipolar crises. Forgotten is the careful, focused study and planning made possible by the relative predictability, in a bipolar world, of who one's opponent would be and how he would behave.

The fallacy of multipolar stability complements a fallacy that the United States and its allies gain net advantages of maneuver in a multipolar system. Innumerable discussions have pointed out that in a multipolar world the United States can play the Soviet Union and China against each other. This advantage was indeed absent in the bipolar world, but other powers gain parallel advantages. Democracies, by nature dependent upon public opinion for support of foreign policy, may prove more ponderous

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\*Cf. W. H. Overholt, "President Nixon's Trip to China and Its Consequences," Asian Survey, July 1973, for an exploration of the impressive analogies between 1922 and 1972.

than their authoritarian counterparts. This is particularly true of the United States, where Congress is increasingly asserting its authority, and of Japan, where consensus decision making makes rapid policy changes difficult. The Kremlin also has serious inhibitions on rapid maneuver, but not necessarily greater ones than Japan and the future U.S. Moreover, to the extent that the United States adapts to a game of maneuver, its domestic ideals are likely to suffer. Success in a game of maneuver requires high centralization of authority over foreign affairs and low input from public opinion. It probably means heavy reliance on covert operations and increased emphasis on secrecy and ambiguity.

Various civilian and military officials have emphasized the advantages of secret maneuver. But so far secrecy and ambiguity have imposed greater costs than benefits on the United States. Secrecy regarding the China trip, for instance, magnified domestic publicity, inhibited some potential opposition, and surprised the Russians, but it also permanently damaged relations with Japan, disenchanted smaller Asian allies, antagonized Europe, and precipitated an alliance between India and the Soviet Union.\* Domestically, public outcry against secretive foreign policies is increasing.

Discussions of multipolarity have usually ignored the extent to which multipolarity is a self-fulfilling prediction, a projection abroad of American policies. There is a real, and external, component of the trend toward multipolarity: the Sino-Soviet split, the rising self-confidence of Europe and Japan, and so forth. But multipolarity of political

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\*Again, these were the costs of secrecy, not of the China trip itself. For details cf. Overholt, "President Nixon's Trip," op. cit.

influence in Southeast Asia, the original referent of the concept, followed from American disillusionment with American errors; despite Japan's rising economic influence and China's increasing nuclear power, multipolarity still results more from American mood and an American military posture than from foreign processes. To a lesser extent, worldwide multipolarity also reflects American policies. Rising Japanese and European autonomy reflects their growing strength, but also results from American policies which force them into independent, and sometimes antagonistic, policies.\* Misunderstanding of the partial but important extent to which multipolarity is a self-fulfilling prophecy has stimulated gratuitous abuse of allies and been used to justify those abuses--frequently in the service of U.S.-USSR negotiations conducted in a classical bipolar style.

So multipolarity is a flawed concept, with misleading connotations. But one must go beyond criticism to constructive analysis.

#### The Life Cycle of Foreign Policy Doctrines

In such an analysis, it is crucial to distinguish the fundamental from the ephemeral, the long run from the short run. Current attention is mesmerized by short-run crises that obscure rather than illuminate fundamental changes.

The key to discerning the long run and fundamental is an insight about the birth, life, and death of major foreign policies. Major policies, especially those axiomatic assumptions which Americans call "doctrines," are formulated in response to some crisis, often a relatively minor one. A

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\*Ibid., for details on Japan. On Europe, cf. Raymond Vernon, "Rogue Elephant in the Forest," Foreign Affairs, April 1973, and Z, "The Year of Europe?" Foreign Affairs, January 1974, among many others.

series of minor flaps in U.S. relationships with China, Britain, and Japan precipitated the Open Door Policy. The Monroe Doctrine was born during a minor territorial crisis between Britain and Venezuela, the Truman Doctrine during limited crisis in Greece and Turkey. However, these doctrines became the axioms of American foreign policy for a generation or more, not because of their effectiveness in response to single crisis, but because they were consistent with the basic historical relationships of an era. History remembers the long-term policies and their historical context and downplays the specific crises which serve as midwives.

Once formulated, doctrines which seem successful become institutionalized. Whole bureaucracies are redesigned to implement the doctrines and staffed by men whose reputations and careers become inextricably associated with the policies. Major social groups come to accept unquestioningly the wisdom of the doctrines and to denounce deviations from them. Even the intellectual community typically reaches a near-consensus on the axioms of policy, although it prides itself on iconoclasm because of disagreement over details. ("Details" can, of course, be very important--given the generality of the "axioms.") Policy analysis becomes focused on means rather than ends.

The momentum thus acquired is augmented by the flexibility of doctrines. Great policy doctrines must be exceedingly flexible in order to remain appropriate for a historical period. The Monroe Doctrine, which retained a core of meaning and congruence with historical relationships, was once a doctrine of nonintervention and later a doctrine of intervention. The Open Door Policy underwent similar transformations, but also retained an axiomatic core that influenced decisions over two generations.



To argue that there were several Monroe Doctrines or several Open Door Policies is to miss the point. These doctrines dominated the imaginations of officials and scholars but in different circumstances supported varying emphases and tactics. Their organizational momentum inhibited change and their flexibility inhibited recognition of the need for change, thus ensuring that they endured past their time. Doctrines change fundamentally only in response to crisis, and crisis is ensured by the widening gap between policy and reality.

Many of today's crises result from the obsolescence of successful old doctrines. These crises lead writers to perceive fundamental weakness and failure, but old policies have in most cases become inappropriate as a result of successes so extraordinary that they have transformed the context which originally made them appropriate. Like industrializing countries which face pollution problems, today's nations find themselves coping with the consequences of success. A key danger of this process is that short-term crises will obscure long-term trends and that policies will therefore respond to mere ephemera.

We can document this life cycle by looking first at various foreign powers and regions and then at the United States.

The Dominant Pattern: Postwar Weakness, Doctrinal Success, Crises of Obsolescence

Japan after World War II was utterly dependent upon the United States. Her single diplomatic alternative, the U.S.S.R., she viewed as malignant. To rebuild her economy and to feed her people she desperately needed imports, and to pay for the imports she had to export. From these considerations arose the axioms of postwar Japanese foreign policy: Military

alliance with the United States, diplomatic dependence on the United States, and an economic policy best summarized by the maxim, "We have to export in order to live."

By 1970 the Japanese economic policy had been so successful that Japanese exports seemed to threaten to unravel the entire world monetary system--a system upon which Japan depends more than almost any other power. Extraordinary success had rendered the policy counterproductive. But obsolescence did not cause immediate change. Japanese scholars realized the need for policy change long prior to the diplomatic and monetary crises of the past two years. But public opinion had long taken an emphasis on exports and stability of the yen as axiomatic. The Ministry of International Trade and Industry was committed, as an institution and as individuals, to the old policy. The economy had been so geared to the export emphasis, despite the greater profitability of the internal market, that abandonment of the old policy would damage politically influential groups. Thus the "have to export in order to live" emphasis persisted until monetary crises and diplomatic friction forced a change.

Likewise, Japanese economic success and the decline of the Cold War rendered obsolete the policy of utter diplomatic dependence on the United States. The declining vulnerability of Japan, and the apparent diminution of potential threats to Japan, made possible American initiatives, like the trips to China, which would have been impossible in an era of Japanese vulnerability and failure. And American irritation over obsolete economic policies enhanced U.S. willingness to conduct its initiatives in ways abrasive to Japan. Thus, the success of Japanese diplomatic and

economic policies caused obsolescence, and paved the way to a crisis of obsolescence. (The military alliance remains appropriate.)

Japanese, like Americans, have tended to regard recent crises as fundamentally consequences of weakness rather than strength and to read the present faults of their policies back into the past. Many Japanese scholars speak of the failure of their foreign policies, just as they speak of the failure of their "Income Doubling Plan" (which more than doubled income) because income growth led to pollution. But there is a difference between failure of a policy and the need to cope with the consequences of success.

China has long suffered from instability and from foreign manipulation through diplomacy, through loans and investments, and through direct military action. As a consequence of the century of foreign manipulation between the Opium Wars and the Communist takeover, China adopted a policy of self-reliance, shutting herself off from foreign aid, foreign investments, foreign loans, and foreign military and foreign policy dependence. Continuing weakness, however, forced post-1949 China to rely heavily on the Soviet Union. Self-reliance, and alliance with the U.S.S.R., successfully protected Chinese sovereignty and enabled China to establish relatively stable government and effective economic administration. But here as elsewhere success generated its own problems.

Success enabled China to assert self-reliance even toward the Soviet Union--thereby stimulating Soviet hostility. But self-reliance, especially in extreme Cultural Revolution form, isolated China diplomatically at a time when Soviet hostility created a need for friends. Likewise political

cohesion<sup>\*</sup> and economic improvement made refusal to participate in the world economy gratuitous and costly; now China needed trade and foreign technology and had little to fear from participation. But China's policies continued until Soviet pressure and Japanese economic success forced the reconsideration which made possible Chinese rapprochement with the United States and Japan. China has not thereby abandoned self-reliance but has modified it to adapt to current conditions of strength as opposed to previous grave weakness.

Taiwan's post-1949 policies confronted the disastrous conditions that had resulted from failures of the mainland Kuomintang. Taiwan did not reconquer the mainland, but a decade of 10 percent growth rates in GNP, and creation of a very powerful military machine, constituted success for Taiwan. Continued economic growth is likely to ensure Taiwan's internal stability and persistence as an international actor with a substantial voice. By 1980 Taiwan should be able to support at least a billion dollar defense budget. Her international trade is currently comparable in volume to the PRC's and may grow faster.<sup>\*\*</sup> But the very success of Taiwan made the U.S. less fearful of diplomatic initiatives toward the PRC. Had Taiwan's foreign policies failed, President Nixon's trip to China would have threatened the existence of Taiwan and would thus have been impossible. (Without Nixon's trip, the U.N. admission of the PRC would have been a far less serious crisis.)

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<sup>\*</sup>Upheavals like the Cultural Revolution don't threaten this basic cohesion.

<sup>\*\*</sup>1971 estimates: PRC, \$4.66 billion; Taiwan, \$4.13 billion. Taiwan's international trade grew 50.2 percent in 1973.

Taiwan's frantic post-1949 emphasis on diplomatic recognition had been essential to military and economic survival. Now military and economic success made diplomatic recognition less important, and other trends made diplomatic success unattainable. So Taiwan found that successful policies created conditions which made those policies obsolete and created crises for that diplomacy. Taiwan's (correct) response to the crisis was to deemphasize diplomatic aspirations, to expand commercial contacts, and to revitalize its economic effort with the result that the Taiwanese economy increased its growth rate from 10 percent to 12 percent in the year after President Nixon's trip.

In South Korea, economic and military chaos in the early 1950's gradually gave way to creation of one of the world's largest and toughest armies and by building, after years of fumbling, an economy which grows about 10 percent annually and therefore supports her defense posture. North Korean infiltrators learned that it was easier to infiltrate through the lines of the single American division along the DMZ rather than through the less permeable South Korean divisions. Withdrawal of much of the American military force from Korea, and the movement of the remaining U.S. division away from the DMZ, created a sense of military crisis in South Korea, and President Nixon's trip to China created a deep sense of diplomatic crisis. But once again, had South Korea been on the brink of defeat by North Korea and had China been aggressively supporting North Korea, then American troop withdrawal and President Nixon's trip to China would have proved impossible. Present crises by no means threaten to reverse earlier success. Likewise, following the failure of North Korea's earlier aggressive strategy (of capturing the Pueblo, downing our EC-135

and trying to assassinate Park Chung-Hee), North Korea moved to a smiling political strategy of demanding reunification. This initiative was also viewed with alarm in South Korea, but it resulted from South Korea's success, not from failure.\*

Southeast Asia also faces crises of success. The fundamental problems of Southeast Asian countries in the postwar era consisted of (1) creating national identity and unity, (2) defense against powerful communist guerrilla movements, and (3) creating the basis for sustained economic development. In seeking these goals Southeast Asian countries found themselves trapped in the cruel paradox that they needed economic development for long-term stability, but economic development undermined short-term stability by mobilizing previously quiescent social groups into political activity. In the postwar period almost every country in Southeast Asia faced an apparently overwhelming guerrilla threat; by the late 1960's such threats had degenerated into minor problems except in Indochina (although some could again become dangerous). Likewise, each country except Papua-New Guinea and perhaps Burma had acquired a sense of national identity. As argued elsewhere,\*\* the region is poised for a period of economic development that may prove to be one of the great movements of history. Moreover, the paradox of growth and instability may have been largely resolved in this region. Increasing governmental competence, improved intelligence to detect insurgencies early, and

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\*Since this was written, the North Koreans have again adopted a relatively belligerent strategy.

\*\*Chapter II, above.



improved tax collection all increase governments' benefits from economic growth and decrease insurgencies' benefits.

But these successes transformed the situation and created crises. The basic security of most of the region outside Indochina combined with the trauma of Vietnam to justify a Nixon Doctrine of reduced American aid--thereby creating an atmosphere of military and economic crisis. The poor prospects of Southeast Asian insurgencies outside Indochina, and termination of the Chinese Cultural Revolution, led China to move from emphasizing relations with insurgencies to emphasizing relations with governments--creating a crisis for governments which had to adapt but could not easily reverse old policies of isolating themselves from China. Chinese-American rapprochement, whose long-run causes and consequences were primarily auspicious for Southeast Asia, came to countries from Thailand to Indonesia as a bump in the night. Spread over a longer period was another form of political crisis: As national identity and substantial unity were achieved, charismatic leaders like Sukarno, Tunku Abdul Rahman, and pre-1971 Filipino politicians were increasingly turned out in favor of technocrats who would emphasize growth. Thus in Southeast Asia, too, the most visible consequence of long-run success was short-term crisis which obscured more fundamental successes. In Southeast Asia, Korea and Taiwan the successes were, inevitably, more ambivalent and reversible than those of the major powers, but the overall improvement in the region's fortunes between, say, 1952 and 1972 is unmistakable.

Western Europe's prosperity, and the likelihood of accelerating prosperity created by the expansion of the Common Market (EEC), ensure high standards of living and economic capacity to support defense of the

region. Expansion of the EEC to nine nations makes unity far more difficult to achieve, but increasing prosperity makes unity less necessary to successful defense. Hudson Institute projections indicate that by the late 1980's the combined economies of Germany and France should be larger than the economy of the Soviet Union, so cooperation between these two countries alone could guarantee successful defense of the region.\* But Europe's greater capabilities imply reduced American willingness to undertake disproportionate efforts for Western European defense. Thus eventual withdrawal of all or most American forces from Europe is likely, and this implies a security crisis--a crisis of success. Despite the ubiquitous view that America and Europe are acting from weakness, if there were any serious threat to Western European security, the American Congress would probably respond appropriately. The security "crisis," if misinterpreted as a consequence of fundamental weakness, could presage the widely feared Finlandization of Western Europe, but if it is properly interpreted as a crisis resulting from fundamental success then Western Europe should achieve high morale and successful defense.

The Soviet Union's classic goals of attaining a modern economy, strategic parity with the United States, and international recognition of the permanence of postwar European boundaries, are achieved or on the verge of being achieved. Soviet missile and naval expansion ensure defense of Soviet interests and some expansion of Soviet influence. On the

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\*Most of the European considerations mentioned in this paper rest on projections by Edmund Stillman. He is not, of course, responsible for the use I make of his research.

other hand, the U.S.S.R. faces a substantial internal crisis of ideological and technological obsolescence and it also faces hostility from its former Chinese ally. Thus, at its moment of greatest military strength and greatest attainment of its postwar foreign policy goals, the Soviet Union needs the assistance of those countries against which its great military power has been directed. The current technological crisis does not result directly from Soviet military and foreign policy successes, but it does derive from the emphasis on ideological unity, heavy industry, and military technology, which were necessary to those successes. These policies implied ideological rigidity and neglect of welfare and agriculture, and therefore caused the U.S.S.R.'s current problems. Soviet crises result as much from the prices paid for success as from success itself, and in the long run Soviet successes are more ambivalent and more dangerous to her and her neighbors.

The Arab world has, as a result of the worldwide energy shortage, moved from fundamental weakness to considerable strength, although the goal of subduing Israel has proved unattainable. Increasing confidence, unity, and prosperity have led to crises in relations with the Soviet Union and with oil importers. Clearly these crises result from strength rather than weakness. Since 1967 Israel's success has created small crises of success in relations with the U.S., but no crisis serious enough to force fundamental policy changes; the 1973 war could change this. South America and sub-Saharan Africa follow the change to a politics of strength to an even lesser extent, although Brazilian growth and Japanese investment will fundamentally improve Latin America's position by the 1980's.

The pattern of successful policies designed to cope with post-World War II weakness, followed by obsolescence and crises of success, applies strongly to the big powers, moderately to important small powers, and weakly or not at all to regions which were neither devastated by World War II nor centrally involved in the Cold War.

#### The United States

Just as Japanese scholars believe their "Income Doubling Plan" failed because, while doubling and redoubling income, it produced serious pollution problems, so American students of foreign affairs now explore endlessly the failure of American postwar foreign policy and the decline of American world power. Radical and conservative scholars join in interpreting reduction of American bases, and declining American political and economic dominance, as the denouement of failure. Our economy, once half of the world economy, now is only a third. The once triumphant dollar is weak. Our bases are far less numerous. We lack the monopoly of nuclear weapons we possessed after World War II, and our ability to rapidly mobilize conventional capabilities superior to those of any potential opponent is in doubt. Small allies manipulate us, and several medium-sized allies are estranged. To the extent that we sought empire we have failed. The question is whether one wants to interpret success or failure in terms of empire-building.

One cannot deny the existence of pressures, sometimes successful, for quasi-imperial policies. Expansionist nationalism has repeatedly inspired U.S. foreign policies, from the shelling of Quallah Battoo in 1830\* to the conquest of the Philippines, to the drive to make the world

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\*Cf. Tyler Dennett, Americans in Eastern Asia (New York, 1963), p. 31.

safe for democracy, to the present. America's quest for economic growth has sometimes brought government support to beleaguered companies. Military leaders, pressed to improve the odds in an uncertain world, push for additional control over military contingencies and by logical extension even over socio-political change. But even in its heyday the drive to imperial strength was peculiarly muted and illegitimate in comparison with its European counterparts. To the extent that these pressures have influenced American policy they have suffered a decisive reverse.

The near-universal view that the failure of imperial policies implies the failure of American postwar policies in general must be confronted by another view, more consistent with nobler U.S. traditions. The consequences of U.S. policies have included, along with failure in the dubious pursuit of imperial power, achievement of the more inspiring and legitimate goals. In terms of those goals we appeared to be very weak after World War II, although we held half the world economy and had the military force to dominate much of the world, and we are very strong today, despite a period of military disaster (Vietnam), possibly impending Soviet strategic superiority, and some kinds of economic weakness.

A central feature of every major American foreign policy in this century has been concern for the self-determination of other countries, relative to other foreign powers. The Monroe Doctrine insisted that European nations should not intervene in Latin America. The Open Door Policy supported the territorial and administrative integrity of China. The ill-fated Eisenhower Doctrine supported the autonomy of the Middle East. The Truman Doctrine committed us "to support free peoples who are resisting attempted subjugation by armed minorities or by outside

pressures." It did not commit us to exploit the weakness of those countries to create an American empire, and it would have been repudiated if, even implicitly, it had.

These commitments to the autonomy of other nations did not arise solely from generosity. The Monroe Doctrine was an expression of nationalism and has often been used to justify U.S. intervention. The Open Door Policy was a statement of U.S. desire for equal commercial advantage and also a statement that we wouldn't expend extensive resources to back up our policies. The Truman Doctrine expressed at least strategic needs on top of any altruism. But just as one must not ignore these mundane calculations in any accounting of American policies, so it will not square with history to ignore the independent impact of the ideal of self-determination. The U.S. supported Western European unity despite awareness that such unity would produce a major economic competitor and perhaps an eventual political-military competitor. The United States consciously rebuilt Japan into a strong competitor, and returned Okinawa at considerable cost to its military posture, although in the nuclear age it could have been held indefinitely just as the Russians hold the Kuriles. The United States pressed most allies into decolonization.

Support for the self-determination of other countries, imperfect and polluted with other motives as it has often been, has deep roots in American history and conscience. Such support constitutes in part a projection abroad of pluralist ideals and also of a tradition which stressed "no entangling alliances" as a proper policy for young and unpowerful states. These attitudes have, of course, competed with others, particularly in the recent past, but as the above examples show the pluralist tradition



has often competed successfully. Moreover, the Truman Doctrine period-- in which our own bloc seriously comprised short-run self-determination-- was a period of peculiar U.S. power and peculiar allied helplessness, and American policies were consistent with long-run support of pluralist, autonomous policies.

Support for the self-determination of foreign states and regions in the world also constitutes the quintessential diplomatic and military strategy of the United States. America's most vital interests are its own autonomy and democratic institutions. The autonomy of America itself can be threatened only, if at all, by an extraordinary coalition of foreign states. America's internal democracy is most vulnerable, not to subversion and not to quirks of domestic politics, but to a garrison state mentality resulting from public reaction to perceived foreign menace. Thus, support for self-determination is the foundation upon which detailed defense policies are constructed.

The ideal of self-determination has, throughout the twentieth century, constituted a central requirement for public (especially intellectual) support of American foreign policies, and contradiction of this ideal has constituted a brake on foreign policies (albeit a brake which operates slowly). That is to say, we have traditionally regarded policies consistent with the self-determination of other nations as legitimate, and we have regarded policies blatantly contradictory to that ideal as illegitimate. Moreover, as we have become accustomed to being a major force in world politics, this conception of legitimacy has strengthened; the Spanish-American War was not an aberration, but it was a gaucherie committed by a nouveau riche state.

As regards the prospects for empire, America was powerful immediately after World War II. But from the perspective of the more legitimate support of self-determination we were horribly weak. Those nations to which American ties of culture, democracy, history, and strategic interest were strongest had been rendered helpless by the war. Western Europe was devastated. Japan's economy had been leveled to the point where specialists concurred that her eventual resurrection as a major industrial power was exceedingly unlikely. Most Southeast Asian countries had lost both their colonial governments and the economic, human, and institutional resources which would have constituted their capability for self-government-- at a time when each faced an insurgency with immediate prospects for success. Over every region hovered the influence of a then-unified communism which threatened the autonomy of Berlin, Italy, France, China, and most of Southeast Asia. The growing domestic feedback of this situation threatened to degrade American democracy through overreaction.

Key American foreign policy interests, then, were threatened to a degree previously possible only in the early weakness of the Republic and at the height of the world wars. America possessed extraordinary military and economic resources, resources which were perhaps adequate for creating a strong bloc, but which were by no means obviously adequate to the challenge of maintaining allies' independence. Under these conditions (of apparently serious threat, low allied capability, high American interest, and high American capability), the Truman Doctrine, which in context came to mean American willingness to escalate automatically wherever necessary to defeat a communist threat, was an appropriate and defensible policy despite frequent overreactions.

This statement must not be misunderstood. As a basic, axiomatic stance in response to the conditions mentioned, the Truman Doctrine is hard to fault. Such a clear-cut, axiomatic doctrine, following so directly from historical conditions, is the sine qua non of deploying effectively the resources of a huge organization like a modern government. Without such a clear and simple stance as a guideline for coordinating policy, American response to the world situation of the late 1940s and early 1950s would have been confused. But the same organizational qualities of government that make such a doctrine necessary also ensure that implementation of the policy will be somewhat clumsy, fragmented, and rigid. Moving government rapidly, with political, economic and military policies internally consistent and relatively coordinated, is a major feat. Once such an organization gets moving, it lacks the finer qualities of ballet dancers. Thus, we systematically overestimated the intensity and unity of the threats, overemphasized military responses and thereby probably provoked increased threats, and frequently offended our own allies.\* Other governments had the same problems. In Europe, Japan and China the U.S.S.R. provoked precisely the threats it feared most. China prepared gratuitously for a quarter century for American

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\* My understanding of much of the debate between conservatives and revisionists over postwar foreign policy is that the conservatives maintain that, in the organizational equivalent of defying the laws of gravity, they avoided virtually all such excesses. The revisionists take a precisely parallel view, arguing that the entire government succeeded in masterminding, with precision like that of a watch, a devious policy quite different from that professed in official documents. For the conservative position George Kennan's Memoirs, 1950-1963, provides an effective antidote. For most revisionist positions Chapter Five of Barrington Moore's Reflections on the Causes of Human Misery performs a similar service.

invasion, and fought the Korean War on the mistaken assumption that such invasion was imminent. Such actions are not irrational or devious; they are almost inescapable.

At least by the mid-1960s, however, the Truman Doctrine was maintaining its momentum in a fundamentally changed situation. Whereas communism had once appeared unified and aggressive, now neither the U.S.S.R. nor the PRC appeared willing to undertake great risks to export revolution. Moreover, both increasingly diverted their energies to mutual conflict.\* The Soviet Union, which had appeared ascendant and threatening in the 1950s, headed in the 1960s into a period of ideological and technological obsolescence which will bedevil it at least through the 1970s and 1980s.

Likewise, whereas America's friends and allies were nearly helpless in the immediate post-World War II period, those friends and allies are currently strong and prosperous. Projections indicate that by the late 1980s Japan may have an economy larger than that of the Soviet Union,

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\*This Sino-Soviet split has often been misinterpreted in relation to American interests. While in a purely military sense the split reduced the threat to the United States, the split did not necessarily make communist ideology less threatening to democratic ideologies. Historically, ideologies have often been most dynamic and expansive precisely when they were internally divided. (I am indebted to Frank Armbruster for insights on this point.) The Soviet Union and China frequently found themselves competing against one another to prove which one was the more revolutionary, and they found themselves innovating new ideas and policies in order to gain advantages in the competition. Thus communist ideology was potentially more expansive in a period of ideological split than in a period of unity. Liberals who ignore this or deny its importance suffer from an ironic fixation on military considerations at least as rigid as that of conservatives who long ignored the significance of the split. But it is now clear that later there developed the potential for putting the Soviet Union and China into a position of competitive rapprochement with the United States and its allies, and to the extent that this was possible the threat to American interests was greatly reduced and the opportunity costs of cold war-type policies were far greater than was recognized at the time.

and the combined economies of Germany and France will probably surpass the Soviet Union in that period. Southeast Asia is by no means so strong as these more developed regions, but most Southeast Asian countries find themselves more secure than a generation ago.

At the same time the relative power of the United States has declined. Having held half the world economy we now hold only a third. U.S. military superiority has been eroded by the recovery of others. For the most part these changes do not reflect any real decline in the United States; they reflect instead the postwar resilience of much of the world--based in substantial part on successful American policies of promoting the prosperity of friends and allies. America's relative economic position is now comparable to what it was immediately before World War II and its military situation is a very strong one which has weakened only by comparison with the aberrant conditions of an immediate postwar period. Finally, most threats to American interests occur now in areas which are relatively unimportant to the United States and where winning is peculiarly difficult, such as in Vietnam. Under these new conditions Truman Doctrine policies are outdated. Not only do they impose an excessive burden upon the United States, but it also becomes far more difficult to arouse popular support for an active and interventionist policy.

Here again the record is often misinterpreted. It is said that something peculiar has happened to American public opinion, that American cohesion has declined because of domestic crises and increasing softness. After Vietnam this may prove true, but as an interpretation of public reaction to Vietnam it is flawed. Many opinion leaders simply did not perceive serious threats to the United States and its interests. Although



protestors were sometimes irrational, they influenced policy because rational analyses by serious people perceived no serious threat. So to some extent at least the change in public support for strong foreign policy derived from a rational orientation to very real changes, to long-run foreign policy success rather than to deterioration of domestic political life. It is at least arguable that, if in the 1960s foreign threats had appeared as serious as in the 1950s, domestic cohesion and support for strong foreign policies would have proved equally strong.

Under these circumstances, a Nixon Doctrine policy which emphasizes continued support for self-determination, and U.S. willingness to counter nuclear threats, but which also emphasizes that other nations must pull their weight, is appropriate. Retraction of bases and of political involvement in other nations appears in this perspective to be not a weakening of the American world position, but a response to long-run success.

But, as with every other major power, extraordinary success of post-war policies transformed the conditions in which those policies operated and rendered them inappropriate long before policies were actually changed. Momentum was built into organizational structures and scholarly assumptions and, perhaps most of all, into public opinion. Just as Japan could not adapt to the overwhelming success of her export promotion, and therefore continued promoting exports until the world monetary system nearly collapsed, so the Truman Doctrine and its institutions and assumptions persisted to the point of disaster, to Vietnam. If you want to get the attention of a governmental donkey, hit it with defeat in war, or crisis in its trade, or unbearable pressure on its northern border. Major foreign policy doctrines die only in crisis, just as they are born only in crisis.



Vietnam is to the Nixon Doctrine as Greece and Turkey were to the Truman Doctrine and as Venezuela was to the Monroe Doctrine. Vietnam is neither the essence of the Truman Doctrine nor the essence of the Nixon Doctrine; it is the midwife of the new era. What makes world prospects auspicious for the United States is neither solution to Indochina's agony, nor the fantasy of stable multipolarity, but the extraordinary degree to which America's more idealistic dreams for self-determination have been realized.\*

#### From the Politics of Weakness to the Politics of Strength

The postwar world was one of historically unusual, worldwide weakness. Today's nations exhibit historically unusual security and prosperity. A politics-of-strength world should differ from a politics-of-weakness world. First, decisions made under conditions of basic security and prosperity rather than territory weakness are less likely to be overreactions or emotional errors. In a nuclear world this is a crucial advantage.

Second, a politics-of-strength world allows more big power disengagement from minor issues. A world of fundamental insecurities regarding military survival and economic prosperity is one of fear that minor disadvantages could lead to unraveling of fundamental interests, a world of

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\* It is important to emphasize the view of Vietnam as transitional phenomenon, and as a consequence of excessive success. But it is also important not to whitewash Vietnam either. I am aware of no law of history which made it necessary for the crisis of obsolescence to be located in Vietnam or which determined that the crisis should reach such magnitude before policies were changed. Despite the necessity for some crisis of obsolescence, decision makers remain responsible for their decisions, and the U.S. will long have to live with the strategic, political, morale, and moral consequences of Vietnam.

all sorts of domino theories. In such a world the future of mankind can be threatened by events in Laos and West Berlin. But in a politics-of-strength world there is enough leeway for minor losses that disengagement from minor conflicts is more often possible. This explains convergence of big power policies in much of the world toward a Nixon Doctrine-type approach in which the big powers support their interests in small countries through economic and military aid and ideological exhortation, but avoid direct military involvement. Such policies now predominate in Western Europe, the United States, the Soviet Union, Japan and China. In Europe, Japan and China these policies also existed in the era of politics-of-weakness period, but are enhanced by the politics of strength. For instance, China would not now fear American involvement in Southeast Asia as intensely as before. But, most important, the U.S. and U.S.S.R. now feel they can disengage themselves more than in the past from minor issues--although the U.S.S.R. has changed less than the U.S.

Third, the politics of strength permits emphasis on exploitation of common interests, whereas the politics of weakness tends to force emphasis on mutual conflicts. In a situation of fundamental weakness, trade, diplomatic relations, arms control, negotiations regarding the legitimacy of boundaries, and exchanges of high-level official visits may represent such high risks that conflict must be stressed over exploitation of mutual interests. Moreover a period of widespread internal political weakness inspires exaggeration of foreign enmities to enforce domestic cohesion. By contrast, when nations feel secure regarding basic internal security and economic needs they can emphasize common interests by taking

limited risks in the above fields. Such is the basis of the current (partial) replacement of competitive disruption with competitive rapprochement.

Fourth, in the politics-of-strength world, strength multiplies policy options both by increasing resources available for implementing policies and by reducing the fears that force nations into rigid postures. This diversification of options increases uncertainty and magnifies the risks in proposed policies, especially in policies which inherently carry high risk such as those where national survival is at stake. Thus, today the calculations of a Russian general contemplating action against China or Yugoslavia are so complex as to deter overly ambitious initiatives. However, against this benefit of complexity one must assess a substantial cost.

The obvious cost of this increased uncertainty is increased likelihood of miscalculation, a cost exemplified by the aftermath of President Nixon's trip to China. History may yet judge that one cost of the secrecy surrounding preparations for that trip was initiation of a vicious circle in American relations with Japan which could constitute the great foreign policy agony of the next generation. Dr. Kissinger has stated that policy makers simply did not understand the likely Japanese reaction. The politics-of-strength world induces rapid maneuvering which in turn induces such errors. Militarily the likelihood of miscalculating oneself into a nuclear crisis substitutes for the old tension resulting from omnipresent domino theories. There is a parallel cost for the deterrence that results from uncertainty. While moderate men may be deterred by uncertainty, fanatical men may thrive in such milieu.

The dangers from increased uncertainty peak in the current period of multiple foreign policy crises, because fundamental relationships with Asia, Europe, the U.S.S.R. and the Middle East change most rapidly in such a period. Upon the American-Japanese economic relationship hinges the choice between a great period of economic development\* and a possible collapse of Asian development and trade. On the American political-military relationship with Japan depends much of the future of nuclear proliferation, arms control, peace in the Pacific, and continuation of the Sino-Soviet split (which could be terminated by fear of a future militaristic Japan). Western Europe's economic successes will be accompanied by profound social stresses, caused by the economic rise of the Mediterranean countries; the relative decline of Northern Europe, and probably drastic decline of Britain; the obsolescence of much of the British and German economies; and the rise of subnationalist and European identities which threaten the cohesion of the European nations. The international consequences of these trends depend upon whether Europeans see themselves as weak or strong, whether they see themselves as partners of the U.S. or as betrayed to a great power condominium.

The dangers from uncertainty also peak in the transitional period because of the tendency to perceive the crises as signs of weakness. This misperception of the crises of transition is important because each of the major benefits (listed above) of the politics-of-strength world has a psychological component; perceived weakness implies fear, domino theories, greater likelihood of miscalculation, and inability to exploit common

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\*"The Rise of the Pacific Basin," op. cit.

interests even in a context of real strength. For both liberals and conservatives the politics of breast-beating creates self-fulfilling prophecies.

The concept of multipolarity, with its false correlate of stability, is itself a miscalculation born of hasty analysis. Multipolarity is, as previously argued, in part a self-fulfilling prophecy, but its association with stability may be self-defeating. If the ideal of fluid multipolarity translates, or appears to translate, into gratuitous coldness to allies, the consequence could be Japanese-American-European disarray with no compensating advantages. Theo Sommer recently remarked on the apparent Nixon-Kissinger "curious obsession" with the idea of:

...a Pentagonal world in which five major units, all equidistant from each other, keep the world in balance. By stressing equidistance, the President seemed to deny the possibility of closer relations between some of the five poles than amongst others; by putting the emphasis on balance of power rather than on community of interest, he appeared to turn his back on the earlier concept of interdependence; by ignoring Atlantic solidarity, he ran the risk of inciting a bitter Transatlantic contest.

The same kind of concept could explain in part why the U.S. has been so willing to let solidarity with Japan deteriorate.

Without wishing to recrystallize cold war views, one must also note the danger--on both sides--of misinterpreting American relations with the Soviet Union. American satisfaction with parity and detente, which is justified, comes mixed with an unmistakable sense of decline and failure, which is unjustified. Many intellectuals read disaster in Vietnam back into the distant past and forward into the distant future. Even the

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\*"After Vietnamization--Europeanization?", Survival, May-June 1973.

strongest critics of allegedly imperial American policies fail to discern the triumphs of non-imperial policies. The resulting pervasive low morale impedes our ability to sort error from virtue in present policies and attain traditional, proper, publicly supported, non-imperial goals in the future. They also infect allies with low morale and a sense of weakness utterly inappropriate to their current situation. While the West is feeling futile, and allowing Vietnam to distort its vision of the past and the future, the Soviet Union has been mixing conciliatory diplomacy with a very strong sense of international ascendancy and triumph. Soviet analysts, with their emphasis on "objective factors," see in their rise to parity (and possibly beyond parity) the decline of the West as well as the triumph of the U.S.S.R. Such a calculation is as erroneous as the West's opposite mistake, for the extraordinary recent expansion of Soviet rocketry and naval power contrasts with the profound organizational and economic problems of domestic Soviet life. It might seem that the miscalculations of the West and the miscalculations of the Soviet Union are congruent, and therefore not terribly explosive although unhappy for the West. But after a series of crises the West would likely rediscover its strength and principles. Then Soviet miscalculations could prove disastrous.

Dangers also exist in realms far from those of cold war allies and adversaries. We have already overreacted to the temporary energy shortage in ways that could make near-permanent political disputes out of medium-term (seven to twelve year) shortages; we may be making the dispute between energy importers and exporters into an unnecessarily serious one at the same time that we have damaged by unrelated slights to Europe



and Japan any possibility of unity among the importers. Likewise, in an emotional overreaction to environmental problems and the past frustrations of our aid programs, we may be moving toward neglect of economic development precisely at the moment when events in Eastern Asia, Latin America, and the Middle East make possible a conclusive answer to the question of whether all of mankind can eventually attain decent standards of living. We are in danger of abandoning our belief in democracy for developing nations just at the time when improved national unity, technical competence, and economic growth make possible many of the democratic goals which we espoused with such misplaced optimism in the 1950s and abandoned with such adolescent disillusionment in the 1960s.

Both the opportunities and the hazards of this new world impress the imagination. In the past few years Americans have adopted two contradictory attitudes toward this new world. First, we have expressed euphoria, because we imputed to multipolarity a false stability. Second, we have flagellated ourselves for the failure of our postwar foreign policy--because an imperial Pax Americana has proved infeasible and because of the excesses of Vietnam. More realistically we should enter this new world with trepidation as well as with the exhilaration of having for once taken important initiatives like the China trip. And we should recognize that the politics-of-strength world itself constitutes the success of U.S. postwar foreign policies--even after acknowledging excessive rigidity in promoting those policies, especially in Vietnam. The same conditions which doom any aspiration to a global, imposed Pax Americana constitute substantial fulfillment of the noblest and most enduring American foreign policy goals. They also constitute the best

attainable international climate for America's economy and democracy. Our postwar success must be measured less in terms of stability and more in terms of human dignity. It is right for errors to sober us; it is wrong for them to blind us. It is right to correct deviations, wrong to forget the main trend. We must view the opportunities of the new world as built upon the extraordinary successes of our own and others' postwar foreign policies.

B. President Nixon's Trip to China and Its Consequences

The 1971-1972 rapprochement between the United States and China occurred in a dramatic fashion which was heavily influenced by the personalities and exigencies of the moment. At the same time the rapprochement constituted the consummation of numerous historical trends. Muted signals and moves toward a less hostile relationship had occurred during the Kennedy and Johnson Administrations, but during the Nixon Administration the trends had gone far enough, and the administrations in both the United States and China had mustered sufficient courage, to implement rapid changes.

On the Chinese side, persistent hostility toward the Soviet Union and increasing fear of the rising potential of Japan combined with reduced fear of the United States and increased Chinese self-confidence to make possible a fundamental shift in policy. The Chinese had long feared American invasion, and that fear was very real despite its fallaciousness from an American perspective. The U.S. had aided the Kuomintang against the Communist Party during the civil war, had responded to North Korean invasion of South Korea in part by blockading the Taiwan Straits (thus preventing completion of the Chinese civil war), had seemed to the Chinese to

be on the verge of invading Manchuria under MacArthur's leadership as U.S. troops drove toward the northern border of North Korea, and had seemed to some Chinese likely to take advantage of its position in Vietnam to threaten China militarily. But recession of U.S. power from the Pacific and steady withdrawal from South Vietnam under the Nixon Administration appear to have broken through the fear that prevented accurate perception of American policy, and to have persuaded the Chinese that China itself was not threatened by American military forces. At the same time China was becoming increasingly confident as the sense of weakness and humiliation derived from her pre-1949 experiences of contact with the West receded into memory. Within the Chinese political elite, Mao Tse-tung, who was hostile to the Soviet Union and inclined to stress domestic development over opposition to the United States, had succeeded in deposing Liu Shao-chi, whose proclivities seemed quite different. Likewise, Chou En-lai had succeeded in preserving the Foreign Ministry largely intact despite leftist attacks during the Cultural Revolution, and Cultural Revolution fanaticism had given way to more moderate and institutionalized policies.

Just as China perceived a greatly reduced threat from the United States, so increased experience and knowledge of China reduced American perception of possible Chinese threats to American interests. China's entry into the Korean War came to be interpreted as a defensive mistake in reaction to American mistakes, rather than as an aggressive invasion. The China-India war appeared not to have resulted from one-sided Chinese aggression. Previous fears of a Chinese invasion of Southeast Asia faded as analysis indicated that the Chinese probably did not have the slightest desire to invade Southeast Asia, and that they probably lacked the

capabilities for successful invasion even if they possessed the desire. Taiwan remained a clear object of PRC ambition, but internal cohesion, one of the world's most effective armies, and economic growth rate, which rivaled Japanese records, all seemed to ensure the security of Taiwan despite a diplomatic debacle. Moreover, the trend toward recognition of the PRC rather than Taiwan appeared inexorable.

Vietnam, domestic social issues, the rapid rise of Russian military power, and erosion of allied support for United States policy of isolating China, all led the United States to seek reduction of hostility towards China wherever that hostility seemed gratuitous. In addition, American domestic politics came to allow greater flexibility in China policy than was previously possible. A near consensus on the need for change in China policy had developed among knowledgeable officials in the middle and lower levels of government, and with the advent of the Nixon Administration a new generation of senior advisors, who were not personally attached to the old policies, came to power. The new Republican President had less to fear from right wing pressures than his Democratic predecessors. A new generation of younger officials who had not held policy-making positions during World War II and the Korean War had led various opinion-leading elites through a fundamental change in attitude toward China. Thus domestically and internationally both China and the U.S. were prepared for change.

The celerity and drama of the Sino-American rapprochement ensured rapidity and breadth for the ramifications of the rapprochement. The President's trip to Peking opened communication, trade, and cultural exchanges, and agreed on certain principles of international conduct.

American public opinion of China transformed almost overnight from diffuse ideological hatred to broad sympathy. Oriental furniture became fashionable, and baggy Chinese costumes became the rage in New York. February of 1973 brought elevation of communications to the level of quasi-ambassadorial liaison offices and expansion of cultural exchanges to include a tour by the Philadelphia Orchestra and other events.

The impending rapprochement may have precipitated or accelerated the U.S.S.R.-Indian friendship treaty and contributed independently to deterioration of relations between the U.S. and India. After all, President Nixon had visited India's second-worst enemy, China, following a Kissinger trip facilitated by the good offices of India's worst enemy, Pakistan.

"In an interview given to C.L. Sulzberger, Prime Minister Indira Gandhi was asked where Indo-U.S. relations went wrong after 'the talk all these years of an American desire to rely on India as a counterpoise in Asia to China.' She said she supposed that U.S. policy towards India changed when 'U.S. policy towards China changed'."\*

The trip frightened the Russians and the North Vietnamese. On both sides a strong part of the motivation for rapprochement was fear of the Soviet Union. In the rapprochement the PRC gained a great power for leverage against the U.S.S.R., while the U.S. gained a medium power for leverage against the U.S.S.R. and facilitated a sizable redeployment of Chinese troops from the Taiwan Straits area to the Russian border. The United States also facilitated a possible later conjunction of Chinese and American policies to contain Soviet and North Vietnamese influence in Southeast Asia.

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\*The Indian Express, February 18, 1972.

North Vietnamese chagrin over the rapprochement led North Vietnam to rely more heavily on Soviet strategic advice and aid. Both North Vietnam and the Soviet Union thereby became greater threats to China, and in consequence the Sino-American rapprochement was accelerated and the likelihood of Chinese containment of North Vietnam, in the event that North Vietnam should eventually defeat South Vietnam, was increased. At the same time the trips to Moscow and Peking made it appear to the North Vietnamese that they were in severe danger of being sold out by their larger allies. This, together with the improvement in Saigon's pacification programs, made drastic action necessary. The all-out attack on South Vietnam in May was an attempt to win before these trends converged, an attempt by North Vietnam to force her allies to provide greater support, and an attempt to sabotage President Nixon's trip to Moscow.\* The failure of the May offensive, the historic and unexpected performance of the South Vietnamese at Hue and An Loc, and the ignominious and unexpected incompetence of North Vietnamese tanks, convinced North Vietnam to press for a cease-fire in hope that the political struggle would favor them more than the military struggle. This was the genesis of the eventual Vietnam cease-fire and the principal determinant of the timing of that cease-fire.

In the eyes of many allies, the rapprochement removed from American policy elements which they increasingly rejected and regarded as irrational. This reaction predominated in Europe. In Asia the hopeful prospects raised by the rapprochement were considerably dimmed by anger at lack of consultation and fear of apparent American weakness. The United States appeared

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\*Contrast the White House denunciation at the time of the invasion, which assumed the complicity of Moscow in the invasion.



weak because of the interaction between the rapprochement and the Vietnam War and because Peking successfully cast President Nixon in the role of the traditional tribute bearer while Peking pontificated on what the United States would have to concede. President Nixon went to Peking, not the Chinese leaders to Washington, and President Nixon's visits with Chairman Mao were treated in the manner of papal favors to an official of much lesser rank. American reporters referred to "Nixon and Chairman Mao," not to "Mao and President Nixon." Such nuances mattered little to Americans, but impressed more sensitive Asian ears. The Chinese successfully magnified this image of an American President seeking an audience with the leader:

"...all the Chinese I talked to before the visit had the same reaction: 'We did not invite Nixon,' they said. 'He asked to come.' Unlike the Southeast Asian press, the Chinese press was polite enough to refrain from commenting on the humiliation which is entailed, especially in the Asian mind, when a president of the United States visits a country with which he has no diplomatic relations--more, a country whose downfall the U.S. has attempted to provoke for the past 20 years by all means short of open war."\*

In the aftermath of the visit, despite the noble explanatory efforts of Marshall Green, virtually all American allies carried on intense debates regarding the value of close ties with the United States, and from Thailand to the Philippines the small countries of Asia sought expanded ties with China, the Soviet Union and East European countries.\*\* A trend toward increasing diplomatic recognition of China, and severance of relations with Taiwan, was greatly accelerated by the Nixon trip. The visit also

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\*Alexander Cassella, "Peking's Explanation Campaign," Far Eastern Economic Review, April 1, 1972, p. 12.

\*\*A crucial exception was Indonesia, which feared the possible future influence of Indonesian Communist leaders being given refuge in China.

shocked some allies into policies which could lead to greater self-reliance by individual nations or to greater regional cooperation or both; for instance, the Philippines decided to increase her armed forces from 60,000 to 80,000 troops, and various regional organizations took on new life. The most dramatic and most important consequence of the rapprochement was the new willingness of North Korea and South Korea to agree on reunification as a principle and to take concrete steps to reduce hostilities. All of these decisions had domestic roots also, but the Peking trip created an atmosphere within which decisive changes were acceptable and expected.

Many of the smaller countries of Asia were sufficiently shocked by the trip, and sufficiently fearful of the ramifications of Washington's new willingness to deal with Peking over their heads, that they felt their security could only be ensured through serious new security measures. Support for regionalism and greater self-reliance were regrettably complemented by greater domestic authoritarianism in the Philippines, South Korea, and Thailand, and also to some extent in Cambodia and South Vietnam. The primary roots of the 1972 trend toward authoritarianism were domestic. Presidents Park and Marcos wanted to retain power despite constitutions which forbade their continuance in office. Thailand's oligarchy resented the constraints imposed by the new constitution and responded according to a scenario that Thais have experienced before. Thieu and Lon Nol continued to attempt to consolidate their power. In each case greater authoritarianism was seen as a way to improve law and order, increase stability, avoid immobilism, and maintain or increase economic growth. In Korea and to a lesser extent elsewhere more authoritarian government was argued to be more

consistent with the national character.\* But international considerations reinforced these arguments and broadened support for them. Reduced American military presence in Asia, reduced American pressure to broaden the popular base of governments, and intense fear of abandonment resulting from President Nixon's trip and from American rhetoric about multipolarity, all contributed to increasing authoritarianism.

By deciding to visit China, President Nixon implicitly acknowledged the People's Republic as the legitimate rulers of China. This acknowledgment of legitimacy follows automatically from the visit, regardless of the continued absence of diplomatic recognition; moreover, it grants the Chinese the most important concession which they could have expected from the bargaining over recognition and thereby strengthens their hand in bargaining with the United States and others for normal diplomatic recognition. In return, the United States received Mao Tse-tung's personal imprimatur for the rapprochement. Given the importance of Mao Tse-tung as a symbolic figure, the imprimatur should greatly increase the durability and legitimacy of the rapprochement. In addition, U.S. recognition of the PRC as legitimate, together with United Nations' acceptance of the PRC, could induce the Chinese to take a less revolutionary attitude toward the current world political structure.

In addition to increasing international acceptance of the legitimacy of the PRC, the entrance of the PRC into the United Nations could influence PRC foreign policy toward less revolutionary directions in a second, less

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\*A Korean government television advertisement showed a tiny Korean walking around in a huge Western-style coat, and commented that the Western coat was very nice but simply didn't fit the Korean. The political implications were universally understood.

obvious way. Prior to Peking's entry, many observers had speculated on the impact of China on the U.N., but it may turn out that the more important influences work in the other direction. The great and abstract doctrines of PRC foreign policy have served China adequately so long as she was relatively isolated. But service on the committees of the United Nations, as well as detailed bargaining with other countries that have established relations with Peking, involves issues which are ideologically ambiguous. Various observers have noticed the extent to which Peking has remained silent in such committees, apparently unprepared to cope with such intricate, pragmatic bargaining. As the necessity for confronting such situations increases, pressure for institutionalization and stabilization of the foreign policy making process in Peking will escalate inexorably, and pragmatic, incremental bargaining will occupy more and more of the time of policy makers. This argument must not be pushed too far. It does not mean that the PRC will within the foreseeable future become a conservative power, but it does--when combined with other trends--suggest a likely direction of change in PRC foreign policy.

As regards Taiwan, the PRC abandoned insistence on settlement of the Taiwan issue as a prerequisite to improved relations with the U.S. In return, the U.S. acknowledged the principle that Taiwan is essentially a Chinese issue--thereby laying to rest for the time being the previously popular argument that Taiwan should be treated as an independent nation because the majority of the Taiwanese (it is held) do not want to be ruled by either Nationalist or Communist Chinese. No concession except acknowledgment of the legitimacy of the PRC itself could have been more important to the PRC than this American acknowledgment of the legitimacy of treating Taiwan as an exclusively Chinese issue.

This concession was far more important to the Chinese than it appeared to Americans. When they negotiate, Americans tend to concentrate on specific actions like movements of troops or exchanges of money, but the Chinese have always stressed the importance of fundamental principles and especially of legitimacy.

"I observed that another aspect of the Chinese approach that I didn't understand well was the matter of fundamental principles. I said, 'You always insist on settling principles first. We believe in principles in the United States, but we think they are something you carry around in the back of the head, not talking about them very much. We think that in the interests of practical achievement it is sometimes a good idea not to let abstract ideas get in the way. We believe in settling principles last.'

"He said, 'That is the great difference between us. When you aren't clear about principles, then you always have an endless number of petty arguments about details. That is why one doesn't divide into two for you. That is why you think that one divides into nineteen or thirty-four or forty-seven or more.'"

In their negotiations with the so-called bourgeois democratic parties in China prior to the Civil War, the Chinese Communists offered money and political support and other tangible concessions in exchange for acknowledgment by the other parties of the principle of Chinese Communist leadership over the other anti-Kuomintang parties. In the early days when all parties, including the Communists, were weak it appeared that the bourgeois democratic parties were obtaining more advantages from their relationship with the Communists than the Communists were. However, in the aftermath of the Civil War these parties' previous acknowledgment of Communist leadership greatly assisted the Communists in legitimizing the reorganizations

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\*Joseph Kraft, "A Reporter in China: The Right Road and the Wrong Road," The New Yorker, May 6, 1972, p. 110.

which were forced upon the bourgeois democratic parties. Clearly the PRC hopes to duplicate this kind of triumph in its relations with Taiwan and has received the legitimacy it desires from the United States. However, if the crunch comes for Taiwan it will come a long time in the future, because of Taiwan's current unity and military strength, or it will be primarily peaceful, and in either case the United States need not suffer any serious losses of any kind. The shock of President Nixon's trip to Peking may have increased the staying power of the Taiwan regime if the increased domestic unity and emphasis on economics that constitute Taiwan's domestic reaction to the shock are consolidated.

The trip also muddled the diplomatic waters in the triangle between Taipei, Tokyo, and Peking. Japan's severance of official diplomatic relations with Taipei, a direct consequence of the trip, created antagonism between the two capitals so intense that Japan Air Lines soon felt it necessary to take special precautions against sabotage on every flight to and from Taiwan. A consensus rapidly developed in Japan that Taiwan would inevitably evolve toward a position as a province or autonomous region of the PRC, and one American newspaper reporter went so far as to claim that he had strong evidence of a Peking-Tokyo deal according to which Japan would retain her commercial advantages in Taiwan and Peking would recognize its ambitions for political hegemony there.\* Japan began backing away as quickly as possible from her defense commitments regarding South Korea and Taiwan in order to facilitate its own rapprochement with the PRC, and in the first week of March, 1973, Peking began a series of attempts to win

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\*Selig S. Harrison, "Japan, China Agree on Taiwan Dealings," Washington Post, 26 February 1973. This claim requires further substantiation before it can be regarded as fact.



the support of Taiwanese dissidents; such attempts had always failed almost totally in the past, and Peking had long abandoned them, but now apparently Peking saw conditions as sufficiently different to warrant new efforts.

Analytically separable from the consequences of the President's trip and of the rapprochement are the consequences of the way the rapprochement was announced to the world. Both sides successfully preserved secrecy regarding the forthcoming rapprochement, and secrecy maximized the impact of the announcements on public opinion and may have minimized opposition to the rapprochement from domestic groups and allies of both the United States and China. On the other hand, Kissinger's presence in Peking assured Nationalist defeat in the United Nations and may have precipitated the Soviet-Indian Friendship Treaty. Most American allies in Asia were seriously disturbed by the lack of prior consultation even though many of them welcomed the rapprochement. The reaction in Japan was particularly severe because of the importance of the China issue in Japanese politics and because of interaction with other frictions the Japanese have had with the United States.

U.S. friction with Japan antedates the events of late 1971 and early 1972. The U.S. has complained about Japan's slow trade liberalization, its slow revaluation of the yen, its inability to keep secrets, and Mr. Sato's failure to honor promises regarding textile concessions, and these complaints have been exacerbated by some personal animosities between American and Japanese officials. But the events of the Nixon Administration have marked a turning point in U.S.-Japanese relations because of the intensity and frequency with which the two parties, but particularly the United States, have administered shocks to each other.

President Nixon's first ambassador to Japan was a Middle East expert who lacked the stature and position and reputation of such earlier ambassadors to Japan as Edwin O. Reischauer and U. Alexis Johnson; not surprisingly, the Japanese felt demoted and insulted. At a time when the United States was pressing on Japan the virtues of free or liberalized trade, the United States imposed on Japan textile and steel import quotas; from a bargaining perspective such quotas may have been entirely reasonable, but they seemed inconsistent to Japanese who constantly heard free trade arguments from the United States. The United States persuaded the Japanese to co-sponsor a United Nations resolution to retain the GRC's place in the General Assembly but then sent Kissinger to Peking at the time of the vote. Not only did such an action appear to the Japanese as a betrayal but it was taken despite apparent assurances given to the Japanese that we would do no such thing. During the previous year Japanese officials had repeatedly expressed fears that the United States would move toward China without previously informing Japan, and three weeks before the announcement of the China trip the Prime Minister requested assurances of prior consultation. He was told that the United States would make no move toward recognition of China without previous consultation. Still uneasy, Prime Minister Sato asked Herman Kahn whether the Ambassador's word could be trusted, and received assurances that it could. Again the Japanese felt betrayed, and it is beside the point to argue that we did not recognize China; sending the President to China was clearly a move in the direction of recognition.

The United States had to announce currency changes and import surcharges without consultation, because of adverse consequences of the

speculation that would have resulted from premature disclosure. Moreover, thoughtful Japanese had long understood the need for revaluation of the yen.\* But the troubled atmosphere amplified the impact of these announcements on Japan. In addition, resentment was magnified by America's inadvertent timing of the announcement to coincide with the anniversary of Japanese surrender in World War II and by the U.S. Ambassador's statement to Japanese businessmen that the surcharge was directed primarily at Japan. In the wake of the shock came Jack Anderson's exposes of important proposals by Kei Wakaizumi and of the Japanese role in the Cambodian relief fund, as well as the appointment of a second ambassador to Japan amid widespread publicity that he was being appointed because the previous ambassador had not been sufficiently tough on Japan.\*\* Then the Japanese, who had been viewing the post-war reconstruction of Vietnam as a major opportunity to initiate a strong Japanese economic and political role in Southeast Asian diplomacy, found themselves excluded from the relevant negotiations.

The Japanese responded hastily to the United States' shocks. Ambassador Fukuda warned in Washington of the possible unraveling of the Japanese-American alliance as a result of the way the China initiative had been handled. Japan also sent missions to Hanoi and to Pyongyang and invited Mr. Brezhnev to visit Tokyo. In early 1973, Prime Minister Tanaka committed himself to a Moscow visit. Japan recognized Bangladesh at an

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\*A Hudson Institute survey revealed that about thirty books had been published in Japan on the need for revaluation during the previous year, and that about forty magazine articles on the subject had appeared the previous month.

\*\*Despite this inauspicious beginning, the new ambassador was widely acknowledged in early 1973 to have achieved better working relationships with the Japanese.

early date when such recognition was an embarrassment to the United States and also recognized the Mongolian People's Republic. The Emperor went on a visit to Europe in search of new ties but received a relatively harsh reception in several European countries. This search for new ties culminated (at least temporarily) in Japanese recognition of the PRC and severance of diplomatic ties with the GRC. There ensued a period of intense hostility between Tokyo and Taipei and a period of jittery U.S. nerves over the extraordinary warmth of Prime Minister Tanaka's reception in Peking.\* The Secretary General of Japan's Liberal Democratic Party summed up Japanese frustrations in an angry February 26, 1973 speech saying that Japan was being left out of crucial consultations.

These unfortunate incidents overshadowed more encouraging events such as the construction of a hot line between Washington and Tokyo and the return of Okinawa. Under other circumstances the return of Okinawa would have dominated the news and would have greatly smoothed relationships between the two countries. In the context of 1971-72, return of Okinawa merely dampened temporarily the increasing waves of difficulty between the two nations. Late 1972 saw continued economic friction, but

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\*The impact of this extraordinary warmth was multiplied by the intense hostility Peking had expressed toward Japan for a year after October of 1971. The previous hostility may have been exaggerated because it was part of Chou En-lai's case for inviting President Nixon to China, because it was part of the case against Lin Piao, and because it consisted in part of personal grudges against Prime Minister Sato. The subsequent warmth was magnified by Tokyo's desire to forestall the possibility of Japan's receiving a declining share of the PRC's trade after Nixon's visit, by the urgent domestic need for Japanese leaders to demonstrate initiative and success in foreign policy, by China's fear of increasing friendliness between Japan and the U.S.S.R., by a possible PRC desire to further attenuate the U.S.-Japanese alliance by following the Nixon shock with a Tanaka shock, and possibly by a simple decision that gratuitous hostility to Japan was no more rational than gratuitous hostility to the U.S. and that the success of the Nixon visit foreshadowed a similar success for a Tanaka visit.

also heightened awareness in the U.S. of the importance of Japan. Both sides issued repeated friendly statements, and the Japanese began a series of friendly gestures including endowment of a chair at Harvard and of a cultural exchange program with the U.S.

While moving closer to China the United States has attempted to maintain a strong alliance with Japan, but the effect of the China policy has been to weaken seriously our ties with Japan, and our courteous attempts to placate Japan have been inadequate to restore Japanese confidence in the American alliance. This conflict between China policy and Japan policy is a classic and recurrent conflict in American relations with Asia and is so important that it justifies a brief historical digression.

Since the founding of the American republic, American policy toward Asia has consisted primarily of a China policy together with other lesser (implicit or explicit) policies which are dovetailed to the China Policy. This has been true both in the pre-World War II eras when we attempted to maintain a friendly posture toward China and in the postwar period when we maintained a hostile posture toward China. The exception which proves the rule was the period of war with Japan. This tying of Asia Policy to China policy was rational during the period roughly from the founding of the United States to the opening of Japan by Perry, but ever since that time America's economic and strategic interests in Asia have focused primarily on Japan. Not surprisingly the combination of Sinocentric policy with Japanocentric primary interests has continually caused gratuitous conflict with Japan. While dozens of examples could be cited, we shall here focus briefly on the two major American policies toward Asia in the first half of the twentieth century, namely the Open Door Policy of 1900 and the post-1922 Washington Conference system.



The Open Door Policy\* as originally enunciated sought to insure American commercial access to China on the basis of equality with the major powers and without subjecting the United States to the large military and economic cost of maintaining a sphere of influence in China. As a sop to public opinion fearful of American intervention in the Boxer Rebellion and of a possible American attempt to acquire a sphere of influence, the Secretary of State circulated on the day before the Democratic Convention a circular which pledged the United States to seek to maintain the territorial and administrative integrity of China. The U.S. government did not take this policy seriously, as shown by subsequent intervention in the Boxer Rebellion and requests for a coaling station at Samsah Bay. But the American public and Japan did take the policy seriously. In accordance with this policy, Japan subsequently requested American support against Russian incursion into Manchuria. The American reply, which announced that the U.S. was unwilling to support its policy at the risk of hostilities, compromised China's territorial and administrative integrity. These Japanese demands, and subsequent American denunciations of those demands which expressed American moral feelings but not an American willingness to expend resources on implementing its policy, antagonized the Japanese without bringing any benefits whatsoever to either the Chinese or the

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\*For further details on Open Door, cf. George Kennan's American Diplomacy (New York: Mentor, 1952). The usual interpretations of the Open Door Policy stress the two sets of notes regarding open trade and support for the territorial and administrative integrity of China. For analytic purposes it is far more useful to view the third note, indicating to Japan that we would not expend any substantial resources in support of our policy, as being of at least equal importance in defining a doctrine that was to influence U.S. decisions for nearly two generations. This third line of the Open Door Policy is partially reincarnated in the third line of the Nixon Doctrine--which emphasizes that we will at least initially rely on local manpower.



Americans. The subsequent history of the Open Door Policy continued to consist primarily of moralistic American denunciations, and American unwillingness to expend resources to implement its principles. The benefits to China and the United States of the Open Door Policy up until 1922 were at best insignificant and probably nil, whereas the costs to the United States in terms of Japan's antagonism and in terms of loss of credibility resulting from continual backing away from stated policy, were very high.

Having continually backed off from its stated China policy because of the costs of offending Japan, particularly during negotiation of the Versailles Treaty, the United States attempted through the Washington Conference of 1922 to accomplish its aims regarding China and to build a stable multipolar system in the Pacific around its new China Policy. The context of the Washington Conference was a basically stable but eroding Diplomacy of Imperialism in which each of the imperial powers nibbled at China but did not bite off large chunks for fear of the reactions of the other powers. The Washington Conference sought to transform a diplomacy of empires into a diplomacy of nations by means of covenants which guaranteed the strengthening of China and the withdrawal of imperial powers from China.\* At the conference all past treaties were abolished, and in particular the Anglo-Japanese alliance which tied Japan into the Diplomacy of Imperialism was broken at American insistence. A five power naval treaty imposed fixed ratios on the navies of the major powers and thereby limited naval competition. Chinese debts, which had served as the lever

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\*This account leans heavily on Akira Iriye, After Imperialism (Cambridge: Harvard University Press, 1965).

by which imperial powers manipulated China, were to be internationalized in accordance with a five power treaty, and the strengthening of the Chinese government was to be assured by increasing Chinese tariff revenues in accordance with a nine power treaty. Various imperial powers promised to withdraw from the extraterritorial positions in China. Considerable euphoria accompanied these historic treaties which were held to assure dissolution of the immoral imperialist system and construction of a just and peaceful new multipolar system of nations.

The distasteful diplomacy of imperialism indeed passed from the scene, but the euphoria attending the new system proved disastrously misdirected. In their concentration on the China crisis, the Washington powers had failed to recognize that the Soviet Union's building up of the Kuomintang Party assured disunity in China and the inability of China to function as a nation in accordance with the assumptions of the Washington system. Rapid inflation of the Chinese currency adversely affected Japan, which held extensive Chinese notes, and prevented agreement on internationalization of Chinese debts because Japan's interests conflicted with those of Britain and the United States, who did not hold extensive Chinese notes. Fearing a confrontation with Japan, the United States did not hold a conference in accordance with the treaties to iron out currency differences. Increase of Chinese tariffs was prevented because France insisted on payment in gold of the Boxer Indemnity prior to implementation of the nine power treaty. Isolated, fearful, terribly dependent on external resources, involved in a new diplomatic game with no visible rules, and lacking the security previously assured by the Anglo-Japanese alliance, Japan eventually decided to seek self-sufficiency by invading Manchuria. Subsequently

the United States denounced Japan's invasion of China and embargoed crucial strategic goods for Japan. Pearl Harbor followed shortly.\*

A surprising number of close parallels occur between the 1922 Washington Conference system and the emerging 1972 system. In both situations a multipolar system was emerging amid expectations that the new system would be peaceful and that economic competition would replace military competition. In both eras the principal diplomatic move was a great United States initiative toward China intended to bring China into full membership in an emerging multipolar system. In both emerging systems the American initiative toward China damaged American relationships with Japan, and the broken Anglo-Japanese alliance of 1922 paralleled the strained U.S.-Japanese alliance of 1972. In both emerging systems Japan suffered currency crises with the other powers and damaged trade interests. Likewise Japan in both cases felt extremely dependent on external markets and sources of raw materials and felt isolated and fearful, despite the absence of a specific and immediate military threat. The 1922 Naval Treaty, like the non-proliferation treaty of a half century later, appeared excessively restrictive and unfair to Japan although it seemed fair to the other powers. Both periods saw the United States insufficiently attentive to the activities of the Soviet Union because its attention was excessively focused on the details of Asian crises. In 1922 the United States attempted to construct a stable system around the assumption of a unified China, despite the existing disunity in China, and in 1972 the United States sought to construct a stable system around the assumption of eventual stability in Southeast Asia despite the current instability.

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\*This brief account is intended to highlight specific diplomatic errors, not to provide a balanced summary of the origins of the war. Such an account would, for instance, have to stress trends in Japanese domestic policies.

Of course there are also fundamental differences between the 1922 and emerging 1972 systems. In 1972, the Japanese have in their memories the World War II defeat, the neighbors of Japan are relatively much stronger than in 1922, and the world has gone nuclear. These differences imply that the impact of Japan's rapid and unsettling growth, together with the potential for a fearful and isolated and rearmed Japan, will be different. There is no substantial likelihood of a return to the Japanese invasions of the 1930s and 1940s, but dangers nonetheless remain for the United States and for the world in any policy which would leave Japan standing alone because American attention was fastened on China or on attempts to minimize short-term costs regardless of the long-term consequences. Japan could rearm and take an anti-American or even Russian-aligned posture. Japan could turn the vigorous but healthy and stimulating economic competition in the Pacific into a cut-throat political contest which would slow the growth of all countries in the Pacific Basin, including Japan and the United States. Japan could rearm and frighten China and the Soviet Union into a frantic arms race, thereby defeating all of the initiatives of the past few years. At a later date Japan could, in accordance with her defensive emphasis, deploy a satellite laser system to destroy opponents' missiles as they leave the ground. Such a system would quickly produce a dangerous arms race and a terribly unstable world strategic situation. Resulting Chinese and Soviet fears could stimulate a renewed Sino-Soviet alliance and cold war. These comments are intended not to instill fear of Japan, but to ensure that the United States does not once again contribute to creation of a system in which a relatively weak China is partially incorporated into the international system at the cost of

inadvertently locking Japan out. China can be drawn into the system without isolating Japan.

The Sinocentrism of American policies in Asia results from selected and distorted perception. On the map, Asia appears as a gigantic China surrounded by a sprinkling of lesser countries. China's population is awesome. China's exotic and frequently violent politics compel public attention.\* China's poverty makes her appear still more exotic. Japan appears smaller on the map, has a smaller population, and with the exception of the war and immediate pre-war years has possessed less exciting domestic politics. Japan's industrial society seems closer to our own and thus, superficially and fallaciously, less exotic and more comprehensible. Thus it is not surprising that the public regards Asian politics as Chinese politics plus a few lesser themes, that businessmen have throughout our history been awed by the prospects of selling one pair of shoes to each Chinese while a far larger Japanese market suffered neglect, or that the staff of the National Security Council included at the time of the decisions regarding President's trip to China three China specialists and no Japan specialist.\*\* Thus it occurs that, although American economic and long-run security interests in Asia have throughout this century focused

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\*As an example of the relative ability of China and Japan to draw American attention, the writer, as program director and chairman of the Harvard China Conference in 1967 and 1968, found that one could draw a large crowd to a China Conference but could not imagine drawing a similar crowd to a comparable Japan conference.

\*\* It should be recorded that the State Department was intensely aware of the delicacy of U.S.-Japanese issues in early 1971. At a May 1971 Scholar-Diplomat Conference which this writer attended this delicacy was the principal subject of addresses by several of the Department's top diplomats, and Chinese issues were muted by comparison. But State Department views were, in this case as in many others, not an important influence on key decisions.

primarily on Japan, American foreign policies in Asia have typically focused on China--with the rule-proving exception of the period of war with Japan, during which the American war effort was hindered by excessive concern over events in China and by futile efforts to turn Chiang Kai-shek's China into a great power.

In addition to the characteristically Sinocentric structure of America's Asian policies, one must note the volatility of American images of China and Japan.\* For forty years Americans have perceived that there was one country in the Pacific which was inherently pacifist and friendly to the United States, and another country which was inherently aggressive, militaristic and opposed to everything America stood for. Moreover, American intellectuals and others have penned learned treatises maintaining that these fundamental characteristics derived from the nature of the countries and the national character and child rearing practices of the peoples. But thirty years ago the pacifist country was China and the aggressive country was Japan, as several observers have frequently noted.\*\* Such total transformations of the images of China and Japan are not confined to recent decades but are characteristic of an America which has always been titillated by the exotica of Asia but has remained, even at the highest levels, relatively uninformed about the details of Asian life. The volatility of American images of these great Asian nations has never been so clearly demonstrated as during the past year, a year which began with most Americans expressing beliefs in the implacable hostility of China and ended with a fad for things Chinese.

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\*Akira Iriye details these images in Across the Pacific (Harcourt, Brace and World, 1967).

\*\*John K. Fairbank frequently makes the latter point.



To this observation regarding the volatility of American images of China and Japan one need only add the observation that the American initiatives toward China and shocks to Japan in the past year have been more intense than their Open Door and Washington Conference counterparts which induced a mostly unrequited American affection for China and a relationship with Japan which was consistently unfriendly and sometimes bitterly hostile. The Peking Conference of 1972 could well foreshadow a return to normality in relationships with Asia, that is a return to unrequited friendship for China and hostility toward Japan, just as the Nixon Doctrine signals a return to normality in our scrutiny of the costs of Asian involvement. (The policies advocated by Presidential candidate McGovern would have greatly accelerated the tendencies toward total military withdrawal from the Pacific and resultant isolation of Japan; in their Sinocentrism, their scrutiny of costs, and their inability to come to grips with the intricacies of the Japanese-American relationship, President Nixon and Presidential candidate McGovern displayed in 1972 differences of degree rather than of kind.) The steps suggested by Americans of both parties to deal with Japan's interests consist almost exclusively of the kinds of pro forma and cosmetic actions against which the Japanese ambassador to the United States warned so eloquently before the Commonwealth Club of San Francisco on January 10, 1972:

"Certainly the most important and dramatic element in the Far East is President Nixon's planned trip to China. This can and should be a very significant contribution to peace and stability in Asia. But it might--however unintentionally and contrary to American desires--be the beginning of a process of unravelling our mutual security in the Far East. Which of these two possibilities becomes a reality, in my opinion, will depend in very large measure on the real nature of U.S.-Japanese relations in the critical period to come. If our consultation and collaboration are intimate and substantial, and they repose

on mutual confidence, then I believe we can view the future with optimism. But if they should become largely pro forma and cosmetic, then I would worry about what the future holds in store. Both of us have far too much at stake to risk getting out of tandem on the important subject of China."

Although cosmetic consultations will not decelerate the dissolution of the Japanese-American partnership, dissolution is not inevitable. A systematic program of supporting Japan's security needs and promoting its political interests could reinstitutionalize the alliance. Moreover, although there are tradeoffs between American relationships with Japan and with China, most of the present and future benefits of rapprochement with China and the Soviet Union are retainable despite increased emphasis on the relationship with Japan. In fact, a rapprochement with China which included extremely careful coordination of Japanese and American policies on Taiwan and recognition of China and related issues could quite conceivably produce rapid improvement of relationships with China together with systematic reinstitutionalization of the American-Japanese relationship.

If China is wise she will not try to exact too high a price, in terms of American relations with Japan, for rapprochement with the United States. Isolation of Japan will detract from China's security in the long run, because an isolated Japan will rapidly become a great military power. Likewise the United States must learn from its past mistakes to focus her Asian policies on Japan, and not to sacrifice long-run relationships with Japan for tactical advantages in China and Southeast Asia. Given these axioms, rapprochement with the PRC can continue. Diplomatic relationships with Japan will become looser, but that loosening reflects the success of the U.S. policy of building up Japan and is appropriate to Japan's status as a great economic power and an autonomous nation. The military alliance

can be preserved within a context of diplomatic flexibility. Economic relations will continue to be intensely competitive, but increasingly both sides realize that the competition takes place within monetary and other rules of the game which are far more important and mutually beneficial than the competition; the rules create an expanding pie, and the competition over shares of the pie is far less important than making sure that we do not drop the whole pie.

## VII. UNITED STATES INTERESTS AND STRATEGY IN EASTERN ASIA

### A. Some Alternative Interpretations of the Nixon Doctrine

From the discussion of the previous chapter, an interpretation of the Nixon Doctrine begins to emerge. But it seems important to articulate explicitly some of the obvious possible interpretations of the Doctrine, and to indicate why one would wish to reject some but not others.

1. A Rhetorical Cover for Evacuation of Indochina. The Nixon Doctrine was formulated by a President and a presidential staff deeply concerned with the Vietnam War. President Nixon took office in a situation where it was widely believed that the public would no longer support a high level of military effort in Indochina, but also in a situation where a high level of military effort appeared necessary to successful conclusion of the conflict. And some would add that at least moderately successful prosecution of the war was necessary to avoid a strong public backlash in domestic American politics. Under these circumstances, one policy would be to seek to have one's cake and eat it too: to pull out of Vietnam but also achieve a successful conclusion of the war, or in a more cynical interpretation to pull out in such a way as to avoid the political consequences of unsuccessful termination of the war. Vietnamization was a policy which either disengaged and achieved a satisfactory conclusion, or disengaged and muted or delayed the consequences of unsuccessful termination. In the views of many students of the Nixon Doctrine, that Doctrine is simply Vietnamization writ large.

There is a sense in which such an interpretation is valid. First, concern over Vietnam was indeed the precipitant of the Nixon Doctrine.

Second, there are strong analogies between the Nixon Doctrine and Vietnamization. But, with regard to the first point, the last chapter has warned against confusing the precipitant of a doctrine with the larger historical relationships which support or undermine a doctrine. And with regard to the second point, Vietnamization applied to a Vietnam situation where the American position was on the verge of collapse, whereas the Nixon Doctrine applied to a world in which the American position had largely carried the day.

If the mood of America were to remain despondent in the years ahead, and if the consequence of this despondency were to become translated into isolationism, then the Nixon Doctrine could, through a sort of self-fulfilling prophecy, become Vietnamization writ large. And in the same way that it was reasonable to continue to refer to U.S. policy toward Latin America as the "Monroe Doctrine" even in the era of the Roosevelt corollary, it would be reasonable to call such an American policy a form of the Nixon Doctrine. But such an interpretation does not fit the current situation.

2. A Fundamental Change of American Objectives. In the wake of Vietnam and in the wake of President Nixon's trips to Peking and Moscow, the old Truman Doctrine emphasis on containment of communism as the ultimate goal of American foreign policy and the old image of America as the world's policeman have been tarnished, and the Nixon Doctrine certainly responds to the inadequacies of such a stance. But the vigor with which the policy of containment, and the role of world policeman, have been denounced obscures the fact that they have not been abandoned, merely modified, and that even the most severe critics would not want complete

abandonment of them. Most Americans, including most critical students of American foreign policy, continue to believe that any substantial expansion of communism in the world would be unfortunate and that American policy should to some extent attempt to inhibit the spread of communism. Disagreements occur, not over the goal, but over the locus of American effort, the costs the U.S. should be willing to bear, and the degree to which American ideological interests are actually threatened. Critics generally do not want the U.S. to play policeman in Indochina, but do want it to play policeman in Western Europe and the Middle East; they tend to disfavor active American military involvement but to push forcefully for a strong policeman-like role in every other respect, including involvement in ways that risk military engagement. With a few exceptions critics of Truman Doctrine era policies agree that containment of communism in Europe, the Middle East and Japan is extremely important to the United States; they criticize exaggerated estimates of Soviet or Chinese expansive intentions, and they criticize budget allocations which respond to such exaggerated estimates. Critics denounce the view that "loss" of even obscure corners of the earth to communism invariably threatens vital American security interests, and many believe that communism or something like it constitutes the only solution to the extraordinary problems of stability and development in China, but almost all of these critics believe (at least after discussion and reflection) that there are few or no other areas of the world where such political tyranny is beneficial and that the spread of communist systems to new regions would be something to mourn. If one listens carefully to most (but not all) so-called "radical" critiques of past American policies, one hears arguments that



what was interpreted as a communist threat was not really a threat, that what was interpreted as aggression was not really aggression, and sometimes that what was interpreted as a threat to popular well-being in some country might actually have improved popular well-being. One hears arguments that American means have been excessive or brutal or that they have imposed excessive costs on domestic well-being. One almost never hears arguments that, in cases of clear and universally recognized aggression, the U.S. should not care, or that, faced with a rapid spread of communist regimes, the U.S. should remain completely passive. In short, there is a near consensus that the U.S. has some role as a world policeman and some stake in containment of the spread of communism--although many critics of past policies will find it painful to have the near consensus stated in these terms.

If there is such a near consensus, including even most of those who denounce containment and the role of world policeman most vociferously, then clearly the Nixon Doctrine does not abandon those goals or values. What has changed is not so much the goals and values as (1) the magnitude of threats to those goals and values and (2) the interpretations of threats to them. As pointed out in the last chapter, American interpretations of PRC and U.S.S.R. objectives have concluded that those objectives are not so aggressive as once thought and in many cases never were so aggressive as once thought. And, given the strength of American allies, the secure position of the U.S., the internecine Sino-Soviet dispute, and the evolution of Chinese and Soviet policies, American values and goals are not threatened to the extent they once seemed to be. Thus it would be inappropriate for the U.S. to base its foreign policy on single-minded

containment. Moreover, pursuing an extreme vision of America as world policeman turns out to have costs that are excessive for American society and inappropriate for America to bear alone in a prosperous world.

In short, America has not abandoned the most basic goals and values of the Truman Doctrine era. She is pursuing them under different conditions, with new and hopefully improved knowledge, and in more balanced relation to other goals.

3. A Change of Tactics. If the major goals and values of America have not changed, then perhaps the Nixon Doctrine could be interpreted as a mere change of tactics. Perhaps, for instance, America's objectives and priorities in Thailand are exactly the same now as they were in 1963, but perhaps American decision-makers have decided that the kind and degree of military involvement which we would have employed in 1963 would be ineffective and that some new tactics would succeed. To some extent such an interpretation is correct. Military officers have assessed their performance in the 1960's and have learned from it. Political analysts believe that an overwhelming U.S. presence in a country may prove counter-productive. But changes in tactics hardly constitute the essence of the Nixon Doctrine. Nixon administration pronouncements make it clear that American images of China and the Soviet Union have changed in fundamental ways, and that views of appropriate American relationships with them have changed fundamentally. Moreover, under the Nixon Doctrine the U.S. is clearly willing to face the risk that limitations on American involvement in a conflict could lead to collapse of one or more friendly governments to a communist insurgency at some time in the future. This is not to say

that such a possibility would be regarded with equanimity, or that an opponent could ever feel secure that America would not come to the aid of a beleaguered country, but the degree of risk which America is willing to contemplate has clearly changed. Clearly, then, American objectives have been modified to some extent, and the Nixon Doctrine is therefore more than a change of tactics.

4. A Strategic Readjustment to New Conditions. The interpretation which we shall stress here is a major change of American strategy to cope with new world conditions. In the terms of the last chapter, the Truman Doctrine was an adequate strategy for the politics of weakness world. The Nixon Doctrine is a strategy for the politics of strength world. It is a policy designed for a world in which American interests are less threatened, American allies more capable, American adversaries less unified and expansive, and American military and economic power less hegemonic. The new strategy does not abandon old goals and values, but it recognizes that success modifies priorities. Just as successful industrialization implies new priorities because poverty is no longer so serious and environmental problems are more serious, so successful support of other countries' prosperity and autonomy implies less obsession with those goals and revitalized concern with such other goals as domestic economic prosperity.

Thus the most appropriate interpretation of the Nixon Doctrine is one of strategic change to cope with a politics of strength world. Objectives have changed in emphasis and in priorities but not in fundamental content. Changed tactics are also an important part of the Nixon Doctrine, but are secondary to the strategic adjustments. The Nixon Doctrine is partially

a response to the Vietnam crisis, but only in the short term sense that Vietnam precipitated the Doctrine; the Doctrine's success or failure depends principally on worldwide relationships over the next few decades, and these relationships are not necessarily affected in any fundamental way by Vietnam. To put it more bluntly, the Nixon Doctrine can be a success even if the future of Indochina follows the most pessimistic predictions.

B. Some "Degenerate" Forms of the Nixon Doctrine

If one takes the mathematical equation for an ellipse and substitutes certain extreme values, then the resulting figure is not an ellipse at all but a straight line. Mathematicians call such a situation a "degenerate" form of the ellipse. Likewise, if one takes a political policy and exaggerates or denigrates some part of that policy in an extreme fashion, then one obtains caricatures or "degenerate" forms of the policy. These degenerate forms can be interesting, because they consist of extremes which policy-makers need to recognize and avoid, and because certain domestic and foreign observers will react--usually for reasons of misperception rather than malice--to parts of the policy rather than to the whole.

The Nixon Doctrine strategy consists of a balance of:

1. Reduced direct American involvement in foreign conflicts;
2. Increased attempts to exploit common interests with adversaries;
3. Rising flexibility of alignments and reduced emphasis on bipolar blocs
4. Increased insistence that other countries share security burdens and increased emphasis on regional security arrangements.
5. Rising concern with economic aspects of foreign policy.

Excessive emphasis on any of these would give rise to degenerate forms of the Nixon Doctrine. The perceptions of foreign and domestic friends and

critics of American policy have often led them to interpret the Nixon Doctrine as one or more of these caricatures or to fear the transformation of the Nixon Doctrine into one of these caricatures. For this reason we shall discuss each of the possible degenerate forms very briefly.

1. Isolationism. Excessive emphasis on Vietnam or on declining American military and economic hegemony or on the various miscalculations of the Truman Doctrine era tends to stimulate a mood of despondency or anger conducive to extreme attempts to isolate the United States from political involvement with the rest of the world. Ironically, excessively optimistic views of American success and of the benign nature of current international politics can lead to the same result. The last chapter has argued in some detail that the Nixon Doctrine is not in essence a response to long-term failure of the Truman Doctrine or to the vicissitudes of Indochina, and there is no need to repeat that case here. Excessive optimism is another thing. Many people in Japan and the United States take the view that there are no major threats to world peace and therefore maintenance of a strong military posture is either irrational or malicious. But Truman Doctrine successes issued in substantial part from strength, and the current absence of all but a few explosive threats to the peace also rests on continued American military strength. The Soviet Union's drive to improve its relative military position is evident, and its willingness to exploit any weakness is also evident--as for instance in the Middle East war of 1973. Soviet political and military journals increasingly emphasize the ascendancy of the Soviet Union and the decline of the West. Under such circumstances American underinvolvement now will

result only in more costly involvement later--as has proved true in the past. It would be appropriate to characterize much of the American security posture in the 1970's as "Leaning on Doors that Nobody is Trying to Open"--because if we do not lean on doors in Korea, Japan, the Middle East and elsewhere, the Soviet Union might very well renew attempts to open them. Security postures must cope with tomorrow's problems as well as today's. This does not mean that the U.S. should hang on to every base, or maintain high levels of U.S. presence throughout the world, or absorb disproportionate costs. It does mean that periods of declining involvement can have their excesses just as periods of rising involvement can.

2. Great Power Condominium. Part of the essence of American ability to reduce its political and military involvement in Europe and Asia is recognition that the great powers have common interests as well as contradictory interests and that peace can be enhanced by trade, negotiations, and other forms of intercourse which exploit these mutual interests. But negotiations among big powers frighten middle and small powers and, if excessive, can stimulate belief that the interests of smaller powers are being ignored by giants seeking to model the earth according to their own interests. The following account of reactions to Secretary of State Kissinger's debut at the United Nations illustrates the problem:\*

"Before Mr. Kissinger began his statement the Assembly hall was vibrant with excitement in a way it has rarely been in recent years. Although his face had rarely been seen in diplomatic circles here, he is well-known to the delegates, mostly for his accomplishments in big-power bilateral diplomacy.

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\*The New York Times, September 25, 1973, p. 1.



"His designation by President Nixon to succeed William P. Rogers as Secretary of State had aroused some trepidation here, particularly among representatives of the smaller countries, since there is a prevailing fear that the United Nations will be bypassed as the major powers concentrate on accommodation."

The rather frantic reactions of Japan, Europe, Southeast Asia, India and other areas to such events as President Nixon's trips to Peking and Moscow expresses the fears of great power condominium which once were mostly confined to de Gaulle but now are ubiquitous. In an atmosphere where small powers fear great power condominium, all kinds of important attempts to gain worldwide cooperation are hampered. Nuclear nonproliferation agreements which once appeared to represent common sense and universal interests come to be looked upon as a disguise for great power tyranny. Similar attitudes infect environmental agreements, law-of-the-seas legislation, and other areas. The U.S. must continue to exploit common interests, but avoid doing so in a way that creates excessive small power backlash--and particularly not-so-small Japanese backlash.

3. Machiavellianism. Negotiating pragmatically with other countries, exploiting opportunities as they arise, taking off ideological blinders, and maintaining one's initiative through unpredictable decisions, all can contribute to attainment of American objectives. All statesmen realize this. But statesmen also understand the difference between undertaking such maneuvers in a principled fashion with a steady eye on long-term objectives, and undertaking them as part of a shifting, opportunistic diplomacy. The Nixon administration's concern with abstractions like "multipolarity" and its effort at formulating a doctrine both indicate

comprehension of the need for principled policies oriented toward the long term. But allies have frequently accused the U.S. of having greater concern for new agreements with enemies than for old promises to allies; for instance, the Japanese were terribly offended when the U.S. subsidized huge food sales to the U.S.S.R. and then temporarily embargoed soybeans bound for Japan out of concern for U.S. food prices. Most such incidents have been unintentional, but they highlight the potential future dangers of either failing to maintain a firm set of long-term priorities or appearing to fail in this way.

4. A thousand Toothpicks are the Same Thing as a Club. Emphasis on the security and other responsibilities of allies in Europe and Japan who are rich enough to carry a substantial share of the burden of mutual defense, and of friendly countries elsewhere that cannot be defended without self-help, is both a prerequisite to reduction of American involvement and a desirable part of American support of self-determination. But burden-sharing can prove self-deceptive if it is premised on an assumption that Japan will prove willing to pick up American military chips in Asia, or if it assumes that Europe will respond with high morale to simultaneous American withdrawal of substantial troops and American warnings of the overwhelming weakness of present NATO forces. Likewise, emphasis on the capacities of regional defense can be self-deceptive; if one totals up the armed forces of Southeast Asian countries, the total is very impressive, but one can take comfort from this only on the assumption that a thousand toothpicks are the same thing as a club.

5. Economic Chauvinism. Finally, the Nixon Administration has recognized correctly that the successes of the Truman Doctrine have made overwhelming emphasis on security aspects of foreign policy obsolete and that future American prospects depend more heavily on economic successes. Not only must economic issues receive higher priority in the future, but many of the economic concessions appropriate to Truman Doctrine era efforts to resurrect Japan and Europe require reassessment. America must compete much more vigorously in world markets. But vigorous competition must not obscure common interests. Common interests in stable monetary and world trade rules far outweigh competitive interests in marginal increments of particular markets. Common interests in having enough energy and raw materials on the market far outweigh competitive interests in access to particular sources of such materials. Common interests in avoiding worldwide depression far outweigh the temporary advantages to be gained from competitive devaluation of currencies. Too aggressive diplomacy in these areas could easily isolate the United States from its natural allies, and protectionist policies will inhibit the growth of the Pacific Basin at great cost to American economic and security interests.

Once again, all of the above constitute aberrations away from balanced policy, and none characterize Nixon Doctrine policies to date. But each constitutes a persistent temptation to some American decision-makers and an omnipresent misinterpretation by key observers of American policy. Each is a caricature, but it is well to take all of them seriously so that in the midst of any single decision one is aware of the shoals that must be avoided.

Given this abstract discussion of broad interpretations of the Nixon Doctrine, and of interpretations to be avoided, we can proceed to slightly less stratospheric levels of policy analysis.

C. U.S. Interests in Eastern Asia

The United States' interests in foreign affairs derive from a desire for survival of the nation, for survival of an environment in which U.S. democratic institutions can prosper, for the continued prosperity of American citizens, and for the welfare of other Western cultures, other democracies, and of fellow men throughout the world. From these basic interests derive more specific interests such as avoidance of wars which might involve the United States, avoidance of military coalitions which could threaten the United States, prevention or limitation of hostile foreign movements which could eventually threaten American institutions, freedom of the seas, a stable world monetary system, worldwide economic development, maintenance of a world environment congenial to human life, limitation of the costs of arms races, avoidance of nuclear proliferation, and general acceptance or imposition of rules of international behavior which reduce the probability that war will occur and which limit the likely damage in any ways that do occur.

Traditionally in the United States as in most other countries major foreign policies and military policies have been justified principally on the grounds that they were necessary to the political and economic survival of the nation. Because of the widespread assumption that foreign and military policies can only be justified in such terms, and because modern technology has greatly changed the context within which these policies operate, proponents of virtually any policy find it difficult to respond to critics who use this widespread assumption to challenge any given policy. Implicitly the critic assumes, for instance, that the only justification for defense of Southeast Asia would be an argument

that failure to defend Southeast Asia would lead to a sequence of events which would culminate in the impossibility of defending the United States. If the proponent of a given foreign policy accepts this implicit assumption he will be unable to argue successfully. Although final proof is impossible, one can make a plausible case that the United States could, over the long-term future, defend itself militarily even against a coalition of all the other countries in the world combined. U.S. natural resources and capacity for technological innovation are so great that it could reasonably expect to maintain military technology capable of destroying any hostile society or coalition of societies even in the absence of allies. The Soviet Union and China are the only other nations for which this statement could be true.

Likewise the U.S. economy is sufficiently resilient and the interchangeability of raw materials in the modern industrial system is so great that there are no imports except petroleum which are vital to the well-being of American society. Very serious adjustment problems there would be, because of technological adjustments, loss of markets, and loss of banking and service relationships. But domestic energy sources are available, and substitutes exist for other resources. What is hard to analyze is the shock effects of sudden cutoffs on growth rates over time. Nuclear war studies, economic recovery studies, and bombing surveys suggest the extraordinary flexibility of societies and invite the conclusion that recovery from even a fairly rapid cutoff would be quick. Current belief in exhaustion of key resources is exaggerated, and technological progress in effect rapidly multiplies resources. Petroleum presents a unique case, and even the problems represented by petroleum prove remarkably susceptible to political and technological amelioration over time.

Thus adjustment should not prove impossible, and the more gradual the cutoff of trade the easier the adjustments would be.

But U.S. ability to survive politically and economically in such a world does not mean that it would welcome such a world or that Americans would be unwilling to make great sacrifices to prevent the evolution of such a world. Democracy would not prosper under the garrison state which might be necessary to maintain national existence in such a world, and many Americans care as much about the survival of democratic institutions as about the survival of the nation itself. Put another way, survival of our democratic institutions is as important as physical integrity.

Moreover Americans are morally engaged with the rest of the world. The United States is a nation of diverse races, religions and classes cemented together by a common political ideology and by common conceptions of justice, and run by a government subject to popular opinion. Foreign as well as domestic events are interpreted in terms of democracy and justice and morality, and political leaders must articulate foreign as well as domestic events in those terms. In such a nation popular ideological sympathy for the fates of fellow democracies and popular moral outrage can become driving forces behind foreign policy. To demonstrate this one need only look at the repeated instances of popular moral outrage at such events as Japan's Twenty-One Demands and subsequent incursions into China and the ensuing march of events toward Pearl Harbor.

Thus Americans maintain political, ideological, moral and morale interests in the rest of the world independent of any questions of survival or economic necessity. It follows that policies in Eastern Asia need not be justified by reference to issues of survival and economic necessity although they may be justified by reference to arguments of military or economic



advantage. Only when the foreign policy debate accepts such premises can incisive analysis replace ideological recrimination. Differences of values, priorities and tactics will persist even when such premises are adopted. But, to cite one example, the debate over Vietnam would have been far more fruitful, and would probably have proceeded much faster, had not so many on both sides perceived vital survival interests as the stake.

D. The Distribution of United States Interests in Eastern Asia

American policies in Eastern Asia have typically been oriented around a China policy, with other policies for the area dovetailed to the prevailing China policy. Exceptions consist principally of World War II, the pre-World War II concern with defense of the Philippines, and the 1960s' preoccupation with Vietnam. This is a curious phenomenon because, since at least the last quarter of the nineteenth century, U.S. economic and military interests have centered on Japan, and focusing policy on China or on pieces of Southeast Asia has tended to defeat more important interests with regard to Japan. We do not wish to argue that the other parts of Asia are unimportant, nor do we wish to deny that for tactical purposes it may on occasion be wise to focus attention on some other area of Asia. But it is nonetheless important to remember where principal U.S. interests lie, and to establish a rough order of priorities with which policies should be consistent.

In general, American interests in insular Southeast Asia outweigh our interests in mainland Southeast Asia because of the greater democracy and economic dynamism and defensibility of the nations of insular Southeast Asia. Likewise our interests in Northeast Asia are more important than our interests in Southeast Asia because the big powers of Northeast Asia, namely China, Japan, and the Soviet Union, carry more economic clout

than their smaller southern neighbors and--more important--because coalitions or warfare among these great nations of Northeast Asia would carry greater threats to American economic and military interests than any comparable phenomenon in Southeast Asia. Finally, American interests in Japan dominate American interests in China because Japan is the great economic power and trading nation of the region, because Japan is the principal democracy of the area, because Japan has considerable influence over the stability of the world economy, and because American interests in arms control and freedom of the seas tend to focus on Japan rather than on other Asian powers. It follows from this that formulators of broad American policies for the Eastern Asian region should first of all consider how a proposed policy would affect the role of Japan in the world and our relationship to her. That American policies should pivot on Japan is a major conclusion of this study.

#### E. Major Interests and Issues

##### I. Containment

At first sight many experts have jumped to the conclusion that the Nixon Doctrine, particularly combined with the new China policy, repudiates a containment objective in Asia. This conclusion is wrong. Despite the public and official determination to avoid future Vietnams, despite the resulting reduction of U.S. willingness to be a world policeman, and despite U.S. willingness to negotiate with communists adversaries, the U.S. will not in any foreseeable circumstances take a neutral attitude toward the possible proliferation of communist regimes in Asia. The Nixon Doctrine can be developed in a way that successfully pursues containment objectives, and it is probably intended to be. The basic reason containment is possible under the Nixon Doctrine is that containment is likely to be a fairly easy objective to obtain within the next five to ten years.

The basic problem in making the Nixon Doctrine work as a containment program is that any local potential victim of communist expansion must be willing to exert very substantial effort on its own behalf. But, in the first place, there may not be any substantial communist expansionist efforts during this period. For a while at least, as the Soviet Union and China explore the implications and opportunities of the new detente relationships opened up by the Nixon visits to Peking and Moscow, the communist powers may be on their good behavior. Partly for this reason, partly because of South Vietnamese success to date,\* and partly because of lack of opportunities and desire elsewhere in the area, there is nothing that produces a "communism on the march" sense in the politicians of Asia. Therefore, if any threat does arise, it is likely to seem quite reasonable for the country involved to try to resist. It is not likely to have a feeling of hopelessness and isolation despite the limited backing promised by the Nixon Doctrine. Furthermore, to the extent that the communist threat takes the form of rural insurgency, there is what might be called a "technological factor" that will help. Basically we have learned how to fight against rural insurgency. Those lessons were not well applied in Vietnam, and Vietnam presented uniquely difficult political circumstances, but the lessons have been well learned and have been applied in South America, and there is quite a reasonable chance that if another rural insurgency does arise, sound tactics will be successfully used against it.

In this general context of the problem of containing communism, it is appropriate to look at a few particular situations and issues.

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\*Mid-1974.

a) Divided Countries. For a while at least both Vietnam and Korea remain divided and in both cases the North presents to some degree a continuing threat to the South. To some extent this is an optimistic projection based upon South Vietnamese success. In fact, one possible interpretation of events in Korea is that because of extensive American withdrawal, General Park of South Korea has felt he had to solidify his control in order to negotiate a deal with North Korea. Nevertheless, whatever deal is made is likely to be one that requires continued vigilance by both sides. South Korea's position is much better than South Vietnam's, because in Korea the South is much more populous than the North, and while it started behind industrially it is likely to surpass the North over the next decade.

South Vietnam and South Korea will also gain safety from the fact that China is not likely to be an aggressive and reliable ally, because of China's interest in carrying forward the relationships with the United States, because China's relationships with Japan and Russia as well as the United States are likely to militate against any strong action on behalf of North Korea, because Chinese and North Vietnamese power interests in Southeast Asia conflict to some extent, and because Chinese regional ambitions seem relatively modest.

Basically, what seems most likely is that in both divided countries the two halves will work out some kind of modus vivendi which makes possible an uneasy peace and which does not create any great strain for the Nixon Doctrine. However, such an outcome is far from inevitable.

b) Cambodia, Laos, Malaysia, and Thailand are special cases. Their problems are largely bound up with the result in Vietnam. To the

extent that South Vietnam has been adequately protected U.S. interest in each of the other countries becomes less, and at the same time the difficulty of protecting these countries becomes less, with the possible exception of Laos.

c) Taiwan now represents a significant problem but may well dwindle in importance. Today Taiwan no longer represents the U.S. interests it once did, as a major component of an anti-Chinese strategy designed to maintain pressure on the Peking government. In the immediate future Taiwan has symbolic importance because around the world countries will be concerned about what happens to the U.S.'s allies when the U.S. changes its mind. Taiwan's takeover by Peking in the near future would make detente look like a policy of betrayal. The continued independence and prosperity of Taiwan would help justify the initiatives to China or at least ensure that they do not look like a betrayal of our ally. Taiwan represents a valuable but not essential component of the economic development in the Pacific Basin and a valuable but not essential outlet for Japanese investment. Taiwan is also in a strategically significant location, although the degree of its importance in this respect depends on the details of future conflicts and the temporary situation with respect to other potential bases.

Taiwan might well seek other political support than the United States. A newer orientation of Taiwan's foreign policy might connect with Japan, Russia, or China. Deals with any of these powers are possible. The United States has no overwhelming interest in preventing any such relatively voluntary switches of allegiance by Taiwan--which is not, of course, to say that such a switch would be a favorable development for

the United States, but merely that it would not be a major blow to our major interests. Particularly so long as Taiwan maintained its existence as an economically viable entity free from foreign occupation, American interests would be reasonably satisfied.

## 2. Interests with Respect to Japan's Role

Japan's next-phase role in the world is yet to be determined. Her last phase (which ended in 1945) was disastrous, and her current phase quite satisfactory. The nature of the next phase will be determined both by domestic factors, including deep social, cultural, psychological forces which are extremely difficult to predict, and by external influences which we would think most easily understood as the interaction of three forces or considerations:

- (i) those diverse and complex interactions with the various small countries of Asia, including trade and investment, which will become increasingly important to Japan;
- (ii) the continued U.S. presence in Asia; and
- (iii) potential economic attractions and political conflict with the Soviet Union and China.

As indicated above, it seems quite plausible that the containment objective in Asia will not put great stress upon U.S. policy. This means that we will not need Japan as a direct source of containment strength and support. Even if we are relieved of a very active role in achieving containment, the Japanese may well be able to avoid any pressure to take a more active role. At the same time, the Soviet Union and China are likely to be reasonably cautious in avoiding conflict with Japan. While they will of course continue to be potential threats to the Japanese they may take great care to avoid forcing the Japanese to pay serious



and expensive attention to that threat. Particularly is this true if the United States looks like a continued strong participant in Asian affairs. This is not to say that the Japanese are willing to rely on the U.S. shield forever. If the Soviets and Chinese began to look very dangerous, the Japanese might well want their own protection regardless of the U.S. posture. But if the Soviets and Chinese avoid appearing threatening, the Japanese may well be satisfied to continue to rely on U.S. protection against a threat that is only theoretical.

In this situation, then, the major question about Japan (except the arms control issue to be discussed below) is Japanese relations with the small powers of Asia. This will be a particularly difficult set of relationships for the Japanese to work out, with many pressures on them to act rather poorly and to develop into a dangerous and unpleasant force in the world. One of the major U.S. interests in Asia is to inhibit this from happening and it seems quite possible that if the United States is at all skillful and lucky, its continued presence in Asia, even in a very limited way, can be a major influence tending to prevent the Japanese from slipping into a very poor set of relationships and a very dangerous role. If we do stay there, the Japanese are not very likely to want to challenge us and there is likely to be a strong appreciation in Japan of the value of the United States in preventing the more dangerous domestic and foreign pressures on her from becoming dominant.

### 3. Area of Responsibility Concept

Asia is a very complex region in the world. There are many potential conflicts, and a variety of governments of all kinds. We have a sense

that the presence of a great power as a political factor in the region can serve to prevent the worst kinds of excesses. This is a very vague concept and certainly is not an absolute rule. Nevertheless, we believe that the existence of the United States as a great power which has a sense of responsibility for the area will be a helpful and stabilizing influence. The idea is not that the United States has to take a hand in every conflict and dispute. The idea is that the countries in the area should have a sense that the United States would be available to play a useful role if things got out of hand. Quite aside from containment and deterrence of big power hostilities, relations among friendly countries like Indonesia, Malaysia, Singapore and Thailand tend to be relatively restrained and non-violent when there is awareness of a generally friendly great power interest and presence. This availability of a great power with a sense of responsibility might have a general calming effect and prevent the region from threatening international peace. The central issue, the basic argument for the United States being there, is the question the great power must always ask: "If not us, then who?"

#### 4. Arms Control Emphasis

One of the major U.S. interests throughout the world is in the prevention of the spread of nuclear weapons. This is obviously a complex issue of which we can only mention a few facets here. One of the problems is that nuclear weapons will not necessarily be procured for defense or even foreign policy reasons. A country may decide to get nuclear weapons as a result of internal factional disputes or for internal psychological reasons regardless of foreign policy pressures or the absence of them. For this reason there may be more danger of nuclear weapons being acquired in a peaceful and "safe" world than in a dangerous world. Nevertheless, U.S. concern for preventing

the spread of nuclear weapons has to focus on how to avert military-political pressures on countries to get nuclear weapons and to attempt to influence the way in which a country (Japan particularly) gets nuclear weapons if it decides to do so. Somewhat paradoxically, our primary interest in preventing the spread of nuclear weapons is to prevent the further spread of nuclear weapons. We are not necessarily or even likely worse off in a world of seven nuclear powers than a world of five nuclear powers. It might even be that in a world of ten nuclear powers it would be no worse for us. But a world in which there were fifty or eighty or a hundred nuclear forces would be objectionable to the United States and for this reason India is much more troublesome as the additional nuclear power than Japan, and the way in which Japan gets nuclear weapons strongly affects whether or not such an acquisition is mildly or strongly against U.S. interests.

Similarly, the implications of the Nixon Doctrine in Europe for the Germans' long-term security and sense of contact with other countries is critical in terms of pressures on Germany to acquire nuclear weapons.

F. Other Important Possible Emphases and Objectives of U.S. Policy

In order to support a proper perspective on the question, we have divided this discussion of U.S. objectives in Asia into two sections: major objectives and lesser objectives. But we should emphasize that including certain policy considerations in the general heading of lesser objectives does not mean that these issues are unimportant or that it would be wise policy to ignore them. While lesser objectives must give way when they are in conflict with greater objectives, they are an adequate basis for policymaking.

### 1. Economic Development

The United States is committed to favoring and supporting economic development throughout the world. It is, and we believe it should be, U.S. policy that all countries should be as rich as possible, with the occasional exception of particularly dangerous enemies. This policy is more a matter of values than it is of tactics; it is not based on the assumption that rich countries are peaceful countries, or that poverty brings danger. Elsewhere in this report we discuss why we believe that economic development serves some particular interests of the United States. Here we would look at economic development more as an end than a means and assert that U.S. policy favors economic development even where it presents short-term problems for U.S. interests and policy.

### 2. U.S. (and "Client") Economic Interest

The U.S. has economic interests in Asia as a source of profitable trade and investment opportunities. While these interests are not as large as the volume of trade and investment would suggest, they are substantial and at least on lower-level questions require policy to pursue national interests.

### 3. Cultural Interaction

As the United States becomes more affluent, and as the world becomes smaller, freedom to travel and to interact with the people of many and varied societies is a matter of increasing concern. Just as our economy is moving from more fundamental activities such as agriculture through secondary to tertiary and quaternary\* concerns, similarly our foreign

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\*Services to services.

policy is moving from protection of safety and vital interests to the preservation of our access to other societies of the world.

#### 4. Propagation (or Protection) of Democracy

It may seem peculiar to put this interest as a lesser interest. To some extent this position represents a compromise between those who say that our business is democracy at home, not democracy abroad, or at least that the only appropriate way for us to help democracy around the world is to provide a good example, and on the other hand, those who maintain the United States is only true to itself if it is deeply concerned with the development of democracy everywhere in the world. We would argue that putting the preservation of democracy as one of our lesser foreign policy objectives is somewhat better than a compromise. We would argue that the United States has a strong and fundamental interest in the advancement of democracy throughout the world but that it is not appropriate in most cases for it to take a strong and active hand on behalf of democracy because in the great majority of cases the choice or form of government is an internal matter that can and must be left to the countries concerned. In many countries, active U.S. promotion of democracy can put democracy and nationalism at loggerheads. Nevertheless, in this view, we should be constantly looking for ways in which we can appropriately express our deep national commitment to democracy. Improvement of security, economic and administrative conditions in insular Southeast Asia may open up new opportunities here.

#### 5. Special Ideological and Economic Role of PBTIA

Over the next ten years the conflagration of economic development and the growing recognition of the Pacific Basin Trade and Investment Area will

be one of the central forces of world history and one that is deeply favorable to the United States' interests and to the interests of economic development. Some of the keys to this are: the economic vitality of the Siniculture areas and of Brazil and Mexico; the continued growth of Japan; the role of the United States and Japan as suppliers of capital and technology to the less developed countries of the region; and the richness of Australia, Brazil, Canada and possibly Siberia as sources of raw material.

We have discussed this whole phenomenon elsewhere. Here we will just emphasize two issues. First, the symbiotic relationship of the United States and Japan. No country likes to be dependent upon a single dominant outside supplier of capital. The fact that in the future Japan will have as much money available for foreign investment as the United States means that throughout the Pacific Basin the United States and Japan can play the role of balances to each other. In Australia the existence of U.S. investments will make it possible for the Australians to accept heavy Japanese investment. In Canada the existence of Japanese investment, on a vast scale, will reduce Canadian objections to the United States' investments. The smaller countries will play Japan and the United States against each other. It is in the interest of the United States to allow this to happen to a reasonable extent to avoid the resistance and responsibilities that we have in the past had to carry as the dominant foreign investor.

The second point that we would make is the importance to the U.S. of the development of PBTIA. Today it is widely accepted among intellectual elites around the world that progress comes from revolution. That is to



say, in varying degrees intellectuals around the world including relatively practical intellectuals such as many businessmen, technical experts, professionals, army officers, etc., to a greater or lesser degree accept a Marxist view of the world, even when they reject Marxism or communism. The vast regional growth in PBTIA over the next ten years, combined with the experience of the last ten years, is likely very strongly to teach a different lesson, because it will be a powerful example of growth without totalitarianism, without revolution, without communism. The result may be the destruction once and for all of the monopoly of the Marxist myth about the nature and sources of progress. One result could be that communism would become largely a dead letter in the Third World (although there might still be isolated communist successes). Also, economic progress at a rapid rate in such a large region will force on the consciousness of the world the view of the world as passing through industrialism as a transition stage from poverty to affluence. It will become clear that sooner or later all nations will go through this process, and those who are rich first need not feel guilty that others through choice or luck or lack of skill move through less quickly. The recognition of this perspective on the place of current events on the sweep of world history can do a great deal to counteract the present low morale of the world.

G. Some Characteristics and Suggestions for Nixon Doctrine  
Tactics and Strategy

Many people believe that the basic policy of the U.S. government today is "No more Vietnams." Unfortunately it is not really true that

it takes two to make a quarrel; for some purposes it only takes one to make a quarrel and we have discussed elsewhere why to some degree the U.S. will doubtless continue playing a somewhat muted role of world policeman. Nevertheless, there are great risks in intervention and we might start this section by listing some of these risks:

1. Possible tarnishing of U.S. reputation and prestige in many quarters (political, moral, intellectual)
2. Some tarnishing of U.S. military reputation
3. Mal-development of forces and attention
4. Casualties and economic costs
5. Domestic disunity (Vietnam caused the "resignation" of a U.S. president)
6. Possibility of catastrophic failure or drawn-out campaign
7. Possible establishment of bad precedents and weakening of future U.S. ability and resolve to intervene
8. Possibility of adopting "too expedient" diplomacy and/or press policy, resulting in:
  - a. loss of credibility with press and public
  - b. loss of confidence in government judgment
  - c. net loss of "face" and authority elsewhere--cause (or excuse) for alienation from the U.S.

in the light of the Vietnamese experience the high risks of intervention are now all too clear and we need not elaborate them further here. One way to limit one's risk in intervention is to limit the character of intervention in some manner. One can obviously limit the means one uses or one can limit the goals one is trying to achieve. Either type of limit can be quite useful and to indicate what we mean we will list some possibilities. Typical methods of limiting intervention by limited means might be as follows:

LIMITING INTERVENTION BY LIMITING MEANS

1. Non-intervention but passive support of independence (e.g., Indonesia, Burma)
2. Informal announcements and signalling actions which threaten intervention
3. Treaties and formal guarantees
4. Use of exceptional individuals, e.g.,
  - a. Lyman Von Sanders in Turkey
  - b. Charles Gordon in China
  - c. Edward Lansdale in Philippines
  - d. Michael Hoare and about 200 mercenaries in Congo
  - e. Sir Robert Thompson in Vietnam
5. Non-controversial military and economic aid (e.g., much of South America, Africa)
6. Low key Military Assistance Advisory Group
7. Indirect military/economic support (Greece, Congo)
8. Military and economic aid (Israel, India)
9. Some tens or hundreds of official or unofficial but very active advisors (e.g., Laos, Vietnam in 1954)
  - a. to provide some leadership, training
  - b. provide logistic supply only, or
  - c. perhaps some combat
  - d. specialized U.S. forces only (e.g. Special Forces, PRU's, Seals, Sea Bees, etc.)
10. Direct major military/economic intervention (Vietnam in 1965, Korea in 1950, Dominican Republic in 1965)
  - a. limitation on numbers of forces
  - b. limitation on costs
  - c. time-frame
11. "Takeover" (World War II)

Typical methods of limiting intervention by limiting goals might be illustrated by such examples as:

LIMITING INTERVENTION BY LIMITING GOALS

1. By military purpose
  - a. restoration of balance of power
  - b. equipping and training indigenous forces
  - c. accomplishment of specific strategy
    - 1) destruction of enemy bases
    - 2) clearing key areas
2. By political requirements
  - a. commitment to incumbent regime only
  - b. requirement for key reforms
  - c. requirement for stability and reforms
  - d. strategic requirement--indigenous country:
    - 1) must raise X number of forces
    - 2) must raise certain type of forces
    - 3) must hold certain areas
3. By diplomatic conditions
  - a. U.S. restraint dependent on U.S.S.R., Chinese, or potential other restraints
  - b. requirement for allied support
  - c. requirement for U.N. support
  - d. requirement for indigenous country to accept U.S. negotiating policy

The difficulties of such intervention, of course, particularly in many of the countries in the area of interest, are often characteristic of almost any underdeveloped country. To be sure, each country presents distinctive problems; it is of great importance to have some understanding of each nation's particular culture. But there are many problems which are more or less common. For example:

LIKELY PROBLEMS IN INTERVENTION IN  
ALMOST ANY UNDERDEVELOPED COUNTRY

1. Elite ruling class with ancien regime morale
2. Acceleration of urban migration
3. Erosion of traditional culture
4. Most reforms accelerate all of the above
5. Reform is often catalyst to revolution
6. Small middle class, large unskilled rural population
7. Dispersion of power often makes reform harder; dictatorship often makes savings, showy development, high morale, some kinds of visible efficiency, etc., easier
8. Territorial fragmentation
9. Social fragmentation and rivalries (e.g., in Vietnam North/Central/South; Catholicism/Buddhism/Religious sects; privileged/underprivileged; urban/rural)
10. Poor communications
11. Availability of internal sanctuaries for guerrillas and other dissident elements
12. Absence of tradition of political self-restraint and subordination to central authority
13. Suspicion of central government, distance between governed and governor
14. Incompetence and corruption in government cadres
15. Habit of violence

What, then, is likely to bring about success in such intervention while at the same time one limits both the costs and the risks? A crucial element of success is to so structure the situation so that one can have high morale at home and communicate high morale to others. We would argue that for the United States attaining such high morale means having a credible case and this credible case should be such that no great doubt should arise about such things as those in the following chart.

WHEN CAN A DEMOCRACY INTERVENE WITH  
ASSURANCE AND/OR HIGH MORALE

In general, nonassurance can be caused by doubts about:

1. Justice and Legitimacy of cause
2. Morality of means
3. Effectiveness of means
4. Morale or loyalty at home
5. Public opinion abroad
6. Acceptability of immediate & latent risks
7. Chances of improving immediate situation
8. Long-term trend (time being on one's side)

Government assurance can be greatly facilitated if the Intervention or the situation is such that it has one of the following special characteristics:

While assurance is facilitated if:

1. Government does not care about the likely kinds of criticism
2. Critics do not know
3. Public media are friendly or protective
4. Country's vital interests are clearly endangered
5. Country is fully mobilized or legally at war
6. Government can argue persuasively it is in a just war (and/or committing "just acts")--or at least that its case is not bad, that it knows what it is doing, and that there is every reason for expecting reasonably good results in the not too distant future
7. There is a persuasive fait accompli.



It would clearly be in the interests of the government to try to achieve as many as possible of the above seven. Often either the intervention or the rhetoric of justification surrounding it can be designed to do exactly that. We would argue that in terms of the kinds of things we have just been talking about, mostly the wrong kinds of lessons are being learned in Vietnam. Some of these wrong lessons are discussed elsewhere in this report.\* We close the section on tactics with a few comments on the possibilities of the kinds of services that can be rendered under the Nixon Doctrine:

Immediate Capabilities, Facilities and Programs

To what extent should the U.S. develop special capabilities, facilities and programs to meet the requirements and needs of the Nixon Doctrine? One essential emphasis of the Nixon Doctrine is the increase of self-reliance by the indigenous government and people, and therefore, one important issue is the extent to which the United States can aid, encourage, facilitate, support or enhance self-help. There are, of course, a number of things that can be done in principle. A relatively long, but incomplete, list of such things might go as follows:

1. Moral, diplomatic and/or ideological support
2. Intelligence support and warning
3. Technical advice and aid
4. Economic aid
5. Military equipment

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\*There is a much more systematic discussion in a much earlier Hudson report for the U.S. Air Force (HI-1156/3-RR).

6. A minimal advisory (e.g., orientation or functionalization) effort
7. Serious training of client's personnel on patron's soil
8. Serious training of client's personnel on client's soil
9. Lend a "key man"--or some key men for continuous advice and consultation
10. MAAG-type advisory group
11. Field advisors strictly restricted to non-combatant role
12. Less restricted field advisors
13. False "advisors" and volunteers (i.e., actually more or less full time participants in military operations)
14. Logistics support
15. Lend a "key man" or some key men for more or less official supervision and/or operation in a senior role
16. Some escalation assurance
17. Air and naval support
18. Specialized help in ground operations
19. Relatively limited ground role
20. Serious escalation assurance
21. Relatively unlimited ground role

The above list of 21 items is intended to illustrate the large range of options and possibilities. While we will not discuss any of them in detail here, some general issues deserve a few lines of discussion.

It is usually possible to do the first seven items without automatically entailing a serious commitment to further escalation if the assistance

provided proves inadequate. Typically the prestige of the nation would not be deeply involved even if there was a failure if the assistance had been restricted solely to the first seven items. This was clearly understood by President Eisenhower when he refused to let the number of advisers assigned to South Vietnam exceed a few hundred. It can be persuasively argued that the basic "serious" American commitment to South Vietnam was incurred when President Kennedy raised the number of advisers to more than 10,000. At the time this was done, some memoranda were passed around which indicated that the administration did not consider this a large increase in the United States commitment to South Vietnam. They did not fully realize that while it is possible without serious backlash to remove such advisers when the country is not under serious immediate pressure, their removal during a crisis or a period of a high level of military activity is a very serious diplomatic and political defeat. Of course, a country like the United States can afford a certain number of defeats and even a certain number of inglorious retreats or even some dishonorable selling out of allies' or clients' interests. (The phrase "a certain number" should be taken as being about one to three every five years or so--depending upon the circumstances and issues. It is always dangerous and unpleasant to do even once.) One of the easiest scenarios for the United States' getting into a war would be for the United States to find itself in the same kind of position that Great Britain did in 1939 when it found that its prestige and credibility were so low that it had to give a complete and unconditional guarantee to the Poles in order to have the declaration have any political or morale significance. In effect, the British explicitly and clearly gave the Poles complete control of future

British decisions for war or peace. One does not usually risk this kind of a catastrophic erosion in morale, credibility and prestige if one restricts assistance to the first seven items and, at the same time, keeps the rhetoric relatively subdued.

The next seven items do raise serious issues of commitment but normally not as serious as the kind of commitment the U.S. undertook in South Vietnam. The final seven are typical of the kinds of measures that might easily entail a very high level of commitment indeed. We have already indicated that no commitment is ever total, but these seven can make withdrawal extremely uncomfortable.

Actually we have been much too simple in our discussion because in almost all cases the context, the rhetoric and various other details can be of central importance. This description of only three explicit and clear categories is intended to be indicative and illustrative and in no sense rigorous or final and, of course, all real foreign policies and programs have ragged edges and twilight zones.

Let us continue now the possibility that the Nixon Doctrine will achieve success. Success, of course, depends partially on what you are trying to do. Consider first the usual criterion that we are trying to achieve or protect democracy in some area. This is probably much too difficult to do. On the other hand, we could easily achieve both development and a reasonable degree of stability. This flies in the face of most scholarly thinking today.\* It is important to realize that, as we have said earlier, the basic reason for the likely success of the Nixon Doctrine is not because the basic structure is so stable or because the Doctrine

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\*Cf. the chapter on "The Rise of the Pacific Basin."

is an extremely adequate theory of defense, but because the stresses and strains are likely to be low enough so that the Doctrine will work.

Let us just for self-education and purposes of explication assume a completely artificial and unrealistic threat. Assume that the Sino-Soviet bloc was still in existence, that all of the communist states were cooperating closely together, that all were pushing communist ideology as insurgency movements very actively in the region of interest and more or less had the following strategy. Once a decision was made to start an insurgency, if it had any success at all the movement would be supported by "volunteers" to any extent necessary to win so long as America did not put substantial support to opposing it and so long as the indigenous insurgents had enough success to cover, to some degree, the presence and role of the "volunteers."

Suppose that the communist states were willing to do this even if the U.S. created through the application of the Nixon Doctrine substantial resistance in the area, but not enough to really resist a fullfledged insurgency backed by the Chinese and the Russians including the "volunteers" and equipment and various experts and advisers. Under these circumstances almost any insurgent movement would be willing to move to the stage of open revolt because it would then be almost assured of final victory. To some extent this would still be true even if the rule were that the insurgencies could only move to the state of final revolt with the authorization of the PRC or U.S.S.R. or both, and that otherwise they couldn't be assured of receiving major support. This caveat would not be known to the outsider, and a situation would still exist in which the insurgency

movement would have a very high bargaining power internally. One can imagine a situation, for example, in which the leadership of the postulated Sino-Soviet bloc knew they could take over a certain country but did not choose to do so because of fear of rocking the boat or even of unwillingness to pay the actual cost. Even in this case the internal bargaining power of the insurgent would be very, very high, so one might properly fear for the ability of the area to protect itself if its major reliance was on application of the Nixon Doctrine. Fortunately this does not seem to be the situation in Pacific Asia in the seventies. We say this partly because, with the exception of South Vietnam, the insurgent movements are so weak that the issue doesn't even arise, and partly because the new detente/entente does reduce the morale of insurgents and inhibit PRC or U.S.S.R. support for insurgents. In many cases the PRC and U.S.S.R. must be very moderate in their support of even somewhat successful insurgency movements, since they will be aware of the real possibility that the United States might escalate more than they would find desirable.

#### H. The Nixon Doctrine in Pacific Asia

The basic United States posture under the Nixon Doctrine in Pacific Asia will be an attempt to provide a stable structure for "multipolar"\* relationships in the area. One cannot emphasize too much that multipolarity can cover both the stable situations like the multipolarity of nineteenth century Europe and anarchic disasters like the multipolar system of Eastern Asia in the late 1920's and 1930's. The United States

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\*Cf. the comments on multipolarity in the last chapter. We use the term here, in its most straightforward sense, as a convenient short label.



wishes to avoid the rigid bipolar structure which makes every international ripple a superpower confrontation, but it also must avoid the extreme uncertainty and volatility that the isolation of Japan in the 1920's produced. The highly structured multipolarity of nineteenth century Europe is not an option in today's ideologically and culturally divided world.

To deal with these partially contradictory requirements we propose a strategy which is largely insular. This insular strategy is made possible by:

- (1) the relatively low level of direct threat from the PRC and U.S.S.R.;
- (2) the likely refrigeration or isolation of the Indochina conflict, and the growing feeling throughout Pacific Asia that the consequences of that conflict no longer need have a great effect on the rest of Southeast Asia;
- (3) the toughness and economic success of South Korea and Taiwan;
- (4) the extraordinary economic takeoff of Japan and the consequent stimulation of economic growth and economic integration throughout the Pacific Basin;
- (5) the greater military and non-military resources and stability available to governments throughout the region as a probable result of the economic takeoff of the Pacific Basin;
- (6) the increasing competence of the central governments of Pacific Asia;
- (7) the drastically reduced availability and utility of sanctuaries among the insular states as compared with their mainland counterparts;
- (8) the greater U.S. public support for the relatively more democratic insular countries of Southeast Asia by comparison with their mainland counterparts;
- (9) reduced U.S. fear of territorial aggression on the part of China and resultant U.S. concern to avoid provoking gratuitous PRC threats through mainland basing;
- (10) the availability, so long as the United States adequately supports the security of Japan and Australia, of relatively reliable strategic lynchpins in Japan and Australia;

- (11) the availability of an additional lynchpin in Guam;
- (12) technological progress which will increasingly make it possible to substitute mobility for local basing;
- (13) the rise of local nationalism in Japan, the Philippines, Australia and possibly elsewhere--which both increases the ability of countries to defend themselves and exacerbates friction with the United States over any military presence which is locally perceived as excessive.

Any successful strategy for this period must pivot on Japan, because Japan's relationships are the most volatile of the great power relationships, because Japan's extraordinary growth is the greatest stimulus for change in the region, and because Japan is a focus of American interests in the area. During this period Japan will largely choose her own way, and the direct positive influence which the United States can exert on Japan's policies will be quite limited. The principal U.S. interest with regard to Japan is in the institutionalization of Japan's international role. By this we mean reduction of the volatility of Japan's relationships through increased military security; acquisition by Japan of a prestigious international role which accommodates current nationalism through foreign policy autonomy and external political influence; mediating her conflict with Southeast Asian countries which will inevitably resent her influence to some extent; assuring that she will avoid marrying herself to China or the Soviet Union; and assuring her of a relatively stable economic context including especially monetary stability and secure lines of supply.

Much of this she will accomplish by herself. Her rapid economic growth is likely to continue, providing her with additional economic leverage over the already dependent smaller powers of the area, a leverage which will be increased by her likely export of industries into Northeast

and Southeast Asia in order to compensate for a domestic labor shortage. Implementation of the Tanaka plan or some other program focused on developing of Japan's economic infrastructure, reducing pollution, and providing such amenities as housing and toilets to her population, should increase the stability of Japan's polity, make her economy more resilient and more capable of continued rapid growth, and--presuming some resolution of the problems of high energy prices--take some attention away from production for export and thus render solution of present balance-of-payments problems much easier.

Despite her rise to great economic power Japan cannot be expected to pick up American military chips in Southeast Asia or elsewhere. Japan wishes to continue her low posture militarily and to confine herself to preparing a mobilization base during the 1970's. Nonetheless her conventional defense capabilities will increase in pace with her economic growth, and by 1980 her current spending of 2 percent of GNP together with a gross national product conservatively estimated at \$600 billion imply a \$12 billion annual defense expenditure. Such a budget will greatly facilitate defense of the Japanese homeland, and the economic growth stimulated by Japanese trade and investment will similarly increase the defense capabilities of other Asian nations. More than this the United States can expect only at its peril. Extremely rapid Japanese rearmament, or nuclear rearmament or military involvement in other countries, will occur in the 1970's only in circumstances likely to be contrary to American interests. For instance, one could imagine such armament occurring under extreme

American pressure or in a situation where Japan perceived a serious Soviet or Chinese threat and simultaneously perceived her American allies to have abandoned her; in both cases Japanese policy would likely become hostile to the United States.

Moreover any of these forms of rearmament might well increase American burdens rather than decrease them, even if one could imagine their occurring in a context of continued friendly diplomatic relationships. Nuclear armament would almost certainly spark proliferation elsewhere. Extremely rapid rearmament or military involvement in other countries could spark an arms race which could put additional strain on American defense budgets, and such rearmament might even drive the Soviet Union and China into rapprochement.

Thus continued expansion of Japan's ability to defend herself is in the American interest, but we must not expect Japan to implement American military policies in Asia. At least through the end of the 1970's the mutual security treaty between the United States and Japan will be useful to both countries, and American conventional and nuclear support for Japan will not be requited by complementary Japanese military activities. The United States should be willing to do this because of Japan's extraordinary contribution to the growth and dynamism of the rest of the Pacific Basin, because it is in the American interest to avoid frightening the PRC or U.S.S.R. into unnecessary deployments or aggressive acts, and because American protection of Japan will give her the security necessary to avoid Japan's caving in to hostile threats or overreacting to minor provocations in Southeast Asia.

Economically competition between the United States and Japan will be keen, but the United States and Japan must remind themselves that such competition is in the long run mutually beneficial and that competition takes places within rules of the game on monetary and trade matters which are far more important and of far greater mutual benefit than the competition itself. The competition concerns relative slices of a large and growing pie, and the emphasis must be more on not dropping the pie than on the size of the individual slices. Tension over the rules of the game (namely rules on dumping, exclusion policies and exchange rates) will persist, but these problems can be eased somewhat by encouraging the Japanese to emphasize their domestic economic development rather than production for export. Japan is likely to move gradually toward a complete free trade position because of the dependence of her economy on trade, unless the United States responds to competition by protectionist measures. The economic issues are not one-sided. The Japanese were very slow to revalue the yen, but the United States has been excessively protective of inefficient industries. The Japanese have been slow to liberalize foreign investment rules, but their industries tend to be undercapitalized and therefore extremely vulnerable to American takeover. Negotiations on these matters will test the patience of both sides but the United States should resist protectionist moves; such moves could force Japan to form an economic greater East Asia co-prosperity sphere from which U.S. trade and investment were largely excluded and this would greatly decelerate the growth of the Pacific Basin.

Politically the U.S.-Japan relationship should be much looser than the military alliance but much friendlier than the economic competition.

Diplomatic ties should remain particularly loose so that Japan feels she possesses the autonomy appropriate to a great power; here the differing approaches to recognition of China may serve as a model for loose ties which take another's interest into consideration to some extent but do not try to involve the two countries in a locked step. Japan has taken the lead in gestures and at preserving a friendly tone in relations between the two countries. She has endowed university chairs and established a foundation for cultural exchange. The United States should respond by celebrating Japanese successes rather than resenting them.

United States basic policy toward the PRC will seek to draw China into the system. In accordance with this policy China must be acknowledged as a full member of international society through diplomatic recognition and full participation in world trade and other world bodies. Inevitably diplomatic recognition of China will eventually involve abrogation of the GRC treaty, but it need not involve abrogation of United States commitment to a peaceful solution of the Taiwan problem; with regard to the legal status of Taiwan, an American posture of insisting on the right to retain an embassy there, but stating that the existence of the embassy does not prejudice the legal issues and that final resolution of the Taiwan problem is up to the Chinese on both sides of the Taiwan Straits, should allow both sides to achieve their minimal goals without loss of face. Such a policy would avert the possibility of violent PRC takeover, which is the central U.S. interest. It would leave open the evolution of (1) One China-Autonomous Taiwan, (2) Two Chinas, or (3) One China-One Taiwan. Any of these would be acceptable to the U.S., would not encourage PRC demands elsewhere, would remove a major thorn from U.S.-Japan-PRC



relations, and would probably reduce greatly the revolutionary component of PRC foreign policy.

Simultaneously America can draw China into some interest in the status quo through trade, through joint work on ecological problems, and through other forms of exploitation of common interests. Given the Chinese policy of self-reliance, which includes autarky and refusal to accept aid or foreign investment, this process of drawing China into the system will necessarily be gradual, but with increasing Chinese self-confidence and generally accepted legitimacy will probably come a willingness to alter gradually (but never abandon completely) the policy of self-reliance. The U.S. policies toward Japan outlined above will reduce the roots of Chinese fear of Japan by limiting the scope and pace of Japanese rearmament. In doing so they may facilitate PRC entry into arms control discussions. Eventual U.S. participation in joint Japanese-Russian development of Siberia would moderate the probably frightening effect of the resulting improvement in Soviet logistic capabilities on the northern Chinese border. Joint development of Siberia must be balanced by joint willingness to participate in the development of Manchuria, if the Chinese wish such joint efforts, and possibly by either direct economic aid or indirect economic aid through provision of favorable terms of trade if the Chinese economic position remains--as seems quite possible--so desperate as to provide strong temptation for a post-Mao leadership to become politically dependent upon the Soviet Union in return for massive Soviet aid. An increment of economic growth would not be likely in the short run to greatly increase the Chinese military threat to the United States or Japan, but would greatly increase China's autonomy relative to the

Soviet Union. If this policy of drawing China into the system is to succeed it will have to be pursued patiently and relentlessly, but the United States must never allow its pursuit of this policy to endanger greater interests with regard to Japan; this imperative is the lesson of the disastrous long-term failure of the Open Door Policy of 1900 and the Washington Conference of 1922, both of which also attempted to draw China into the system but which succeeded only in creating a semi-permanent enmity between Japan and the United States.

The Nixon Doctrine and all of its various subsidiary policies are heavily predicated on China's maintaining her split with the Soviet Union. Yet paradoxically American interest in continuation of this split is one over which the United States possesses only the most indirect leverage. Any strong moves to enhance Sino-Soviet antagonism would likely prove difficult to conceal, and would certainly prove counterproductive if they were seen with their true face. Furthermore, America has a very strong interest in avoiding a Sino-Soviet split so intense that war becomes likely. A Sino-Soviet war would likely be a prolonged one which would affect the peace of all of Southeast Asia, and probably Japan. The United States would have the greatest difficulty avoiding direct involvement in the conflict if either side appeared on the verge of winning decisive, quasi-permanent victories which would give it quasi-permanent access to the resources of the other or which would decisively change Japan's strategic outlook. (Soviet conquest of Manchuria and Korea would have the latter effect.) Prolonged war could threaten the stability of the Soviet empire and thus embroil Europe in a war in which the U.S. could not remain uninvolved.

The U.S. does have three kinds of indirect leverage over continuation of the Sino-Soviet split. First, it can avoid the evolution of world situations which seem so threatening to the two countries, jointly, that they acquire strong incentives to renew their alliance. The chief possibility for such a threat, and it is not a very likely possibility, is that some shock to Japan would induce Japan to commence one of history's more dramatic rearmament programs. The program suggested above should protect Japan from such shocks and thereby reduce the likelihood of the more dramatic forms of rearmament.

The second kind of American leverage rests on an almost certainly valid assumption that the Sino-Soviet split is in a sense "natural." The split is concerned with specific issues and leaders, but it is also territorial, racial, ideological, and a natural competition between two adjacent big powers. For this reason it is likely to continue, albeit with varying intensity, if the two powers are both in a position to continue their competition. For the present, and for the foreseeable future, the principal obstacle to mutual ability to continue the split is the possibility that China will fall so far behind the U.S.S.R. in some crucial respect that it will require Soviet aid or have to accept limited Soviet hegemony. At the moment, such relative weakness does not seem likely for China, but no student of recent Chinese history would want to place all his bets on the likelihood that business as usual will prevail in that country. American decisions regarding volume of trade, terms of trade, sale of technology, and other economic decisions could heavily affect China's economic future if that future were in doubt or if the continuation of full Chinese autonomy hinged in some way on China's

economic vigor. Generosity toward China, especially in a time of severe economic need, would be a relatively uncontroversial step. At this moment in history such economic decisions are probably the only form of "assistance" the U.S. would want to provide for China. At a later date, it is not unlikely that the U.S. will be faced with decisions on certain kinds of arms trade and on materials which have direct military significance. Such decisions could also heavily affect China's international posture. The key danger signal indicating need for strong U.S. decisions in either economic or military fields would be Chinese acceptance, or consideration of, or strong need for, Soviet assistance. But again there is a crucial caveat to this discussion, namely that all such decisions must take into account our primary interest in Japan. If China were intensely hostile to Japan, or if Japan would be seriously upset by U.S. assistance to China, then there would be a prima facie case against the assistance.

The third kind of leverage the U.S. has over the Sino-Soviet split is the U.S. military presence in Asia. Direct military involvement in Sino-Soviet hostilities would be a disaster for the U.S., although such involvement can never be utterly ruled out, but U.S. presence in the region may in some circumstances exercise some deterrence over expansion of Sino-Soviet hostility into open conflict. The presence of U.S. forces in the Northeast Asian region complicates any Chinese or Soviet military calculations, even against one another, and thereby deters excessively venturesome incursions.

American contributions to the stabilization of Korea mitigate one classic source of Sino-Soviet, Sino-Japanese, and Russo-Japanese rivalry. The stronger, more unified, and more economically independent Korea is,

the more U.S. interests are served--so long as the route to such strength, unity and independence does not make nonsense of American commitments and support of freedom.

The Soviet Union will continue to be the most important object of American worldwide concern. In Southeast Asia one can anticipate moderate and probably marginal Soviet initiatives, but one would expect that China, East Europe, the Middle East and Japan will all be far higher on the list of Soviet priorities than Southeast Asia. America's interest in the Sino-Soviet relationship can best be promoted by continuing the detente with China and supporting China's autonomy. American interests in the Russo-Japanese relationship can best be promoted by policies which support Japan's security and resource needs so that Japan does not feel it necessary to look for Soviet help in these areas. As mentioned above, U.S. participation in Japanese-Soviet development of Siberia could be very much in American interest if involvement became possible on commercial terms. Access to Siberian resources would be useful to the U.S. and would ensure Soviet ability to finance continued large-scale trade with the U.S. If, as seems quite possible, the economic results of the project prove marginal over the next decade or two, U.S. involvement would still protect Japan from excessive pressure or dependence.

In Southeast Asia as in Northeast Asia the basic U.S. strategy should be to exploit insular strategic advantages and to promote nationalism and (somewhat paradoxically) to promote increasing cooperation among the nations of the region, without subordinating any or all of them to excessive influence by one of the major powers and without allowing excessive degrees of hostility to develop between minor powers and any of the major powers.

The major powers most heavily involved in this region are likely to be Japan and the United States. As discussed above, the presence of both in the region will allow the smaller powers to play Japan and the United States off against one another, with results that should be beneficial to all. Joint investment, communication, organizational innovation, and tourism from these two great economic powers should produce an extraordinary economic takeoff throughout the region which will enhance the autonomy and self-respect of the countries involved, increase their interactions and capacity for cooperation, and enable them to support defense budgets much more adequate than is presently possible. This development may well occur at rates more rapid than development in China and the Soviet Union and thereby (1) increase the capabilities of Southeast Asian countries relative to China and the Soviet Union and (2) increase the incentive for China to accept outside attempts to draw her into the system. Thus, the extraordinary development of the Pacific Basin helps to make both the U.S. policies of stimulating local self-reliance and drawing China into the system work. At the same time Japanese influence will increase through an interlocking directorate of economic organizations, all of which have Japanese directors and Japanese capital as their core. Japanese exercise of regional influence through such an interlocking directorate of primarily economic organizations, together with the competition of the United States, will constitute a fundamental part of the policy of institutionalizing Japan's international role.

The principal threats to the autonomy of Southeast Asian states in this period are likely to be in mainland Southeast Asia and possibly in Indonesia. These threats are likely to consist primarily of subversion



rather than overt invasion. Fortuitously for American interests, the more democratic countries of the region are consistently less threatened than the less democratic. Other United States interests which might be damaged to some extent are relatively minor economic interests and our indirect interest in having Japan's role in the area institutionalized. Successful subversion of any single country in the region would be something which the United States would wish to oppose but which, if confined to a single country which had received no firm commitment from the U.S., would not severely damage American interests in the region. Severe damage to American interests in the region from such subversion can come only (1) through the development of a massive wave of subversion which threatened to engulf a major portion of the region or (2) through subversion which, because of prior strong U.S. commitment to stop it, had the effect of damaging U.S. credibility in Japan, Korea, the PRC, or the U.S.S.R.

To the extent that the policy of drawing China into the system works, Chinese-inspired or Chinese-supported subversion is not likely to be a major concern in most of the countries of the region. Nonetheless the possibility of Chinese subversive efforts remains sufficiently high to warrant some development of counterinsurgency capabilities. Moreover it is quite conceivable that Hanoi will independently mount subversive efforts in some of the nearby countries of Southeast Asia or that competition between China and the Soviet Union will lead to competitive sponsorship of political groups which might in some cases involve serious subversive efforts in one or more countries.

In approaching the problem of subversion in Southeast Asia one must avoid excessively imaginative domino theories but one must also avoid the idea that what happens in one country has no effect on its neighbors.

A domino theory in reverse may be true: if North Vietnamese influence is contained, or contains itself, within the bounds of Indochina, then successful subversion may become virtually impossible in most of Southeast Asia. U.S. diplomacy here must concentrate on buffering Thailand so far as possible from North Vietnamese influence. Implementation of the terms of a cease-fire, and economic aid and trade which seek to draw North Vietnam into the system and convince her that peaceful means are more gratifying all may be useful, but one must not be overly optimistic about thorough success. Just as important, the United States will want to avoid provoking an unnecessary PRC threat by unnecessarily ambitious hedging against the possibility that the threat might come into existence. U.S. bases in Thailand may prove militarily ineffective but costly in diplomacy with the PRC.

In this regard it may be useful to consider that SEATO may constitute a provocation in PRC eyes, that SEATO is currently viewed by many of its members as obsolescent or obsolete, that the U.S. can do little with SEATO that it could not do without it, and that SEATO has become a diffuse set of implied commitments which allow small countries to exploit the U.S. So one might want to encourage a unanimous vote to turn SEATO into a development or cultural organization at some time when conditions are sufficiently stable that one does not appear to be withdrawing under fire. Regional neutrality proposals could be encouraged (but not actively pushed by the U.S.) following such a decision. A policy of

strengthening local police and constabulary forces and minimizing American dependence on local bases (especially mainland bases) would greatly reduce the likelihood that the PRC would be provoked into support of subversion because she feared the bases.

The second part of the counterinsurgency strategy is to make the countries less vulnerable. Rapid development of the Pacific Basin will increase the forces which individual countries of the region can support through their own efforts, and the U.S. can best support this development by encouraging Japanese investment and aid while maintaining monetary stability and free trade. The most direct contribution the United States can make consists of training local governments in effective central administration, encouraging them to create political parties (which would tie the people to their government and provide the communication nets necessary to detect guerrillas), and training local police and constabulary forces in the techniques of counterinsurgency. Such counterinsurgency strategies may have to be supplemented by an elite, mobile, technology-intensive American force which can deter and defeat possible Korean-type invasions, but this requirement is not likely to arise with regard to Chinese or Soviet forces. North Vietnam is the only power in the region with the capability and will to mount such an invasion.

In addition the United States can "stiffen" the region and the individual countries by promoting regional defense cooperation. Such regional cooperation is usually perceived in terms of a formal alliance or organization of the states of the region, but such a concept is likely to have extremely limited success.\*

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\*For further discussion cf. the section on "Regionalism" in Chapter V.

If an alliance formed in the context of neutrality amidst the Great Power rivalries were directed impartially against interference or threats from any of the Great Powers, it might have considerable political and security significance to its members. Even though its own military capabilities might be slight, it could act with a certain political and moral authority. Perhaps more important, its collective survival--its continued and collective neutrality--presumably would itself serve the interests of the other Great Powers, giving them an investment in preventing rival Great Power interference. Thus, a neutral alliance or bloc might actually enjoy support from several of the Great Powers simultaneously, and on terms possibly more advantageous than its members could obtain through an alliance with any individual Great Power.

It is easy and a habitual response for American policy-makers to expect regional security alliances and groupings in Asia to substitute for American involvement--and, in effect, serve as legatees and perpetuators of American policy. In reality their prospects of effective action seem slight. As Hedley Bull has said, Japan, Australia, and India, to say nothing of the smaller Asian states, have little common perception of threat and national interest.\* Such states as Thailand, Cambodia, Indonesia--and India and Pakistan--may actually have more acute reasons to

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\*"The New Balance of Power in Asia and the Pacific," Foreign Affairs, July 1971.

fear one another, because of traditional hostilities and territorial claims, than the more remote Chinese (or Russians). They may also regard these local threats as the only ones they can do anything about.

Thailand's or Burma's fear of China may or may not be justified, but it may also be reasonable for the Thais and Burmese to assume that there is very little they can do about China, singly or together, without the support of the United States (or Japan, or the Soviet Union). If that support is not there, then it may be an act of wisdom for them to make their accommodations.

A regional military alliance in Asia is hypothetically possible in the contemporary context: (1) as a mutual defense treaty against external threat, or specifically against China (or Russia, or Japan, or the U.S.); and (2) against internal subversion, with all parties giving aid to suppress insurrection within any one country.

In the first case, if it is an alliance against an identifiable great power threat, it can be stated as a general proposition that if the alliance includes another great power it tends to function simply as an auxiliary to that power, without real force or significance except as an adjunct to the great power's policy. This has been true of SEATO. On the other hand, if the alliance does not include one of the other great powers, it ordinarily can afford its members only a marginal improvement in their security situation at best. It is unable decisively to affect the issue, when the challenge is from a great power. Indeed, the alliance may seem a provocation, and hence to have disutility to its members, or potential members.

The second kind of alliance, an alliance of mutual support against subversion, seems unlikely in this decade without, again, great power participation. If subversion is linked to, or supported by, China, the U.S.S.R., or North Vietnam, then the allied states not directly involved are likely to see intervention in the affair as inviting more trouble than it resolves. They implicate themselves in a struggle with a great power or a major regional power. In Vietnam, it is noteworthy that Thais and Filipinos could only be convinced to support Saigon through American pressures and subventions, and their willingness to act even then was a function of their desire for American--not South Vietnamese--support if they themselves were to encounter trouble. It is hard to believe that they, or any other of the states of the region, would be likely to do even this much to aid an ally in a Vietnamese-style insurgency crisis in the future, if the United States (or Japan) were not playing the main role. At lesser levels of subversion or insurgency, advice or material aid is imaginable, but again, not military intervention. Indeed, the risks and regional complexities of rivalry make it unlikely that intervention would even be asked. South Vietnam's intervention in Cambodia, and Thailand's unofficial intervention in Laos, are not precedents likely to be repeated if America were no longer in those wars.

Nonetheless, some limited forms of regionalism may augment somewhat the defenses of various countries in the region. The United States should buttress regional defense efforts and enhance regional consciousness, while not committing itself excessively, by giving military aid indirectly; for instance, the United States might give aid to Australia which in turn would support Malaysia which in turn would contribute to the defense of



Indonesia. In addition, the United States should enhance the ability of Southeast Asian countries to cooperate even in the absence of specific prior contractual arrangements:

- a. By encouraging interaction of political and military officials from various Southeast Asian countries through regional conferences.
- b. By arranging for exercises in which two or three countries acquire a capacity for cooperation even in the absence of an alliance.
- c. By encouraging creation of forces which are compatible for operations involving more than one country.
- d. By encouraging compatibility in the equipment used by Southeast Asian forces.

Finally, the question arises of what one does if there is no massive foreign invasion but subversive efforts nonetheless seem likely to be successful. The decision in such a situation must rest upon some calculation of the chances of success together with a calculation of the costs of success as compared with the benefits. Such calculations may vary considerably from country to country but previous experience suggests some rules of thumb. When the country facing subversion possesses a basically sound central government and political party system which is suffering from relatively temporary setbacks, as was the case of the Philippine government in the early 1950's, the government forces are likely to be able to defeat the guerrillas as long as the government receives adequate financial and logistic support from her allies. On the other hand when, as in Vietnam, the country lacks effective central administration and lacks a political party system that ties the government to

the people, even massive foreign intervention may fail to achieve satisfactory results within reasonable limits of cost and time. One probably does not want to impose rigid rules on such decisions, but in the Vietnam-type cases the United States may well decide that so long as no massive external invasions occur and so long as the effects on neighboring countries can be kept reasonably limited it may have to decide regretfully that the costs of intervention are simply too high. Thailand could eventually be such a case.

A final consideration in such insurgency situations is the need to avoid nuclear power confrontations in connection with these local wars. Here it seems possible that the remarkable convergence of the foreign policies of the major powers may render feasible a conscious concept of rules of fair play which eliminate the possibility of great power confrontations. The concept of limiting involvement in a particular conflict is familiar to students of limited war and is characteristic of all wars in which the great powers are direct or indirect participants. The present convergence of Soviet, Chinese, Japanese, and American policies toward Nixon Doctrine-type approaches seems to present the opportunity to institutionalize a system in which all the powers supply their favorites with economic aid and limited categories of weapons but refrain from directly involving their own forces. For the great powers this could constitute limited war without the war.

# CHAPTER VIII. THE PAST AND FUTURE OF U.S. FOREIGN POLICY DOCTRINES FOR ASIA

The Nixon Doctrine is the successor of the Open Door Policy, which governed American policy in Eastern Asia from the turn of the century to the time of World War II, and of the Truman Doctrine, which guided American policies in that region from the Truman Administration to the beginning of the Nixon Administration. Like these great doctrines, and unlike the so-called Eisenhower, Kennedy and Johnson Doctrines, which were mere rhetorical elaborations of the Truman Doctrine, the Nixon Doctrine represents a change in the core of American worldwide foreign policy that seems destined to persist for a generation or more. Like the other major doctrines the Nixon Doctrine responds to enduring American political interests in the self-determination of other nations and to new conditions under which those interests must be defended. It is stated in terms sufficiently clear to signal decisive changes in perspective but also in terms sufficiently abstract to remain valid through a generation or more of historical exigencies.

The Open Door Policy was an appropriate policy for a young country with ideals and interests applicable to Eastern Asia but without the resources, motivation and self-assurance for active involvement. The Open Door Policy was tripartite:

- (1) the United States demanded equal commercial access to China;
- (2) the United States supported the territorial and administrative integrity of China;
- (3) the United States was unwilling to bear any substantial economic or military costs in order to promote these economic and political policies.

The demand for equal commercial access responded to the possibility that other stronger powers would divide China into spheres of influence. Support for the

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territorial and administrative integrity of China was simultaneously an adjunct to U.S. commercial policy, an expression of American political ideals, and a means for disarming anti-imperialist sentiment prior to the election of 1900. The two statements together, regardless of the specific events which precipitated them, constituted lucid statements of American economic and political interests, a parsimonious guide to fundamental American policies for domestic decision-makers and foreign governments, and an invocation of principles which would inspire the support of American public opinion. The third principle, namely minimization of American costs in pursuing its economic and political interests, has been neglected by historians but was an equally important aspect of American policy which was equally well understood by decision-makers. The principle of limiting costs was first stated in response to Japanese requests for American support in resisting Russian encroachments into Manchuria. Such a minimization of costs was highly appropriate to a young power with the limited resources of the United States at the time. However, as the United States grew in economic, political, and military world influence, the continued strong statement of American principles became almost irresponsible when juxtaposed with American unwillingness to commit resources to support those principles. Thus when the Open Door Policy was terminated by World War II it vanished permanently.

After some initial postwar fumbling the United States embraced the Truman Doctrine, which committed us "to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures." The Truman Doctrine was noteworthy for the sweeping extent of its commitment and for its exclusive emphasis on a political/military

objective. Such a doctrine was appropriate to a country with overwhelming resources relative to the rest of the world, with allies and friends so weak as to be virtually helpless, with an opponent who seemed unified and aggressive, and with an economy so strong that domestic economic needs did not imply a high foreign policy priority for American economic advancement. The Open Door Policy was an appropriate doctrine for a young and weak America; the Truman Doctrine was an appropriate policy for an America cast by World War II into a position of overwhelming worldwide power yet apparently faced by serious challenges to her political interests in the self-determination of Europe, Japan and certain other parts of the world. The Truman Doctrine policies, whatever their failures of detail, were sufficiently successful that the peculiar post-World War II situation evolved in ways favorable to American political interests, and the Truman Doctrine became obsolete. A reassessment of the American strategic position prompted by Vietnam led to formulation of the Nixon Doctrine.

In its promise to provide an umbrella against threats by nuclear countries and to provide other forms of assistance to threatened countries the Nixon Doctrine responds to a ubiquitous theme in American foreign policy doctrines, namely our political interest in self-determination of other powers. In its resolve to honor American commitments the Nixon Doctrine responds to (1) a recurrent Asian questioning of American credibility that is the legacy of the Open Door Policy's refusal to back principles with resources, and (2) the crisis of Truman Doctrine credibility which many Asians and Americans perceived as being at the heart of America's dilemma in Vietnam.

In its declaration that the United States will aid other countries but will rely initially on local manpower for local defense, the Nixon Doctrine acknowledges that henceforth the United States will neither suffer from the perceived weakness of the Open Door era, nor possess the overwhelming economic and military power of the Truman Doctrine era. Barring all-out nuclear war among the major powers it is difficult to foresee circumstances which would return the United States to a position of either overwhelming weakness or overwhelming strength. Thus the Nixon Doctrine is founded upon a relatively permanent relationship between the United States and the rest of the world.

Despite this firm foundation current statements of the Nixon Doctrine are imperfect expressions of the core of American foreign policy for the next generation or so. The Nixon Doctrine in its current formulation is, like the Truman Doctrine before it, a purely political/military formulation, but the time for purely political/military emphases in American foreign policy has passed. Even the statement of America's political/military interest found in the current Nixon Doctrine is neither particularly lucid nor particularly explicit. To state that we will honor our commitments and that we will provide various forms of assistance is to focus on means to the exclusions of ends in a statement which above all else should concern itself with purposes and with inspiring public support. Finally, the heavy priority which the Nixon Doctrine places on the statement that the United States will honor its commitments is out of place in a doctrine intended to provide an enduring guide to the central principles of American foreign policy for an entire era. The credibility of any foreign policy is always a significant issue



but not so crucial a problem as to deserve first place in a tripartite statement of fundamental principles. The crisis of credibility was above all a legacy of the Open Door era and a peculiar problem of the transition from an all-encompassing Truman Doctrine to a more modest Nixon Doctrine role for the United States. For these reasons and others future historians are not likely to cite the Nixon Doctrine to the degree that they cite the Monroe and Truman doctrines, despite the Nixon Doctrine's correct perception of a shift in historical relationships and its correct signalling of an enduring shift in American foreign policy.

A more lucid, inspiring and precise revised doctrine might read as follows:

1. We support the self-determination of other nations.
2. We support open trade and universal development.
3. We shall support these policies in proportion to our resources and we shall expect similar support by other nations.

The first part of this revised doctrine states clearly a principle which has constituted the political heart of all American foreign policy doctrines and which possesses the capacity to inspire domestic and foreign support. The second part of this revised doctrine acknowledges that political/military problems have declined to the point where a renewed emphasis on economic problems is necessary. This statement of economic principles commits the United States to the open trade policies which are necessary for the continued prosperity of the Pacific Basin and elsewhere, and it commits the United States to supporting universal development despite the costs involved in such a policy and despite the spreading movement for halting worldwide economic growth. Finally, this revised Nixon Doctrine

closes with a recognition of American responsibility to support its policies with appropriate resources but also with a recognition that others must contribute proportionately if they are to gain the full benefits of American commitments.

Such a revised doctrine should prove as durable and as central to American foreign policy as the Monroe Doctrine has been to America's policies in Latin America. Like the other major American foreign policy doctrines, such a revised doctrine would not be a partisan statement but would constitute a consensual commitment to foreign policy perspectives which should be broadly acceptable to virtually all Americans.